

## **GROUP EXHIBIT J-5**

**COMMERCIAL PROPERTY**  
**CP 00 10 06 07**

## **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H., Definitions.

### **A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. Covered Property**

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;

- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation Of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.



**c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
  - (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

#### (5) Examples

The following examples assume that there is no Coinsurance penalty.

##### EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

##### EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable:	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows:  $\$80,000 (\$79,500 + \$500) \times .25 = \$20,000$ ; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced, at the same or another premises; and

- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

#### **f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

(3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

#### (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.



(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.

- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.

- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss Form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

**D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

**EXAMPLE #1**

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

**EXAMPLE #2**

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

**E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.



**3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to Covered Property:
- (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

**4. Loss Payment**

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
- (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
  - c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
  - d. We will not pay you more than your financial interest in the Covered Property.
  - e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
  - f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
  - g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
    - (1) We have reached agreement with you on the amount of loss; or
    - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
  - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (3) Nothing if others pay for repairs or replacement.

#### F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

#### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

#### EXAMPLE #1 (UNDERINSURANCE)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.



- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

## EXAMPLE

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.



With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

#### **4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### **H. Definitions**

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY  
CP 00 30 06 07

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F., Definitions.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

**3. Covered Causes Of Loss, Exclusions And Limitations**

See applicable Causes Of Loss Form as shown in the Declarations.

**4. Additional Limitation – Interruption Of Computer Operations**

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage – Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**5. Additional Coverages****a. Civil Authority**

In this Additional Coverage – Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and



(3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.

- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- NEWLY ACQUIRED LOCATIONS**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
  - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

## B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

## C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (7) Cooperate with us in the investigation or settlement of the claim.
  - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

**3. Loss Determination**

a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices and other vouchers; and
  - (c) Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
  - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
  - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

**c. Resumption Of Operations**

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
  - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**4. Loss Payment**

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

**D. Additional Condition****COINSURANCE**

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

#### EXAMPLE #1 (UNDERINSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

Step (1):  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$150,000 \div \$200,000 = .75$

Step (3):  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

#### EXAMPLE #2 (ADEQUATE INSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

#### E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

##### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.



- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### EXAMPLE

When: The Limit of Insurance is: \$ 120,000

The fraction shown in the Declarations for this Optional Coverage is: 1/4

The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000  
 (\$120,000 x 1/4 = \$30,000)

If, in this example, the actual amount of loss is:

Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 90,000

We will pay:

Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 80,000

The remaining \$10,000 is not covered.

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and
    - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
  - (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
    - (a) The Coinsurance percentage shown in the Declarations; multiplied by
    - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
  - (1) 12 months after the effective date of this Optional Coverage; or
  - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
  - (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
  - (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

**EXAMPLE**

When: The Limit of Insurance is: \$ 100,000  
 The Agreed Value is: \$ 200,000  
 The amount of loss is: \$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

**4. Extended Period Of Indemnity**

Under Paragraph A.5.c., **Extended Business Income**, the number 30 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

**F. Definitions**

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
 caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

**COMMERCIAL PROPERTY****COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.



**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**COMMERCIAL PROPERTY  
CP 01 40 07 06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

**COMMERCIAL PROPERTY**  
**CP 10 30 06 07**

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G.**, Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section **B.**, Exclusions; or
  2. Limited in Section **C.**, Limitations;
- that follow.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

#### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or micro-waves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or
  - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (1) Acting alone or in collusion with others; or
  - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
  - (i) The "specified causes of loss";
  - (ii) Breakage of building glass;
  - (iii) Weight of rain that collects on a roof; or
  - (iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;  
of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or



- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
  - (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
  - (5) Any other consequential loss.
- b. Leasehold Interest Coverage Form**
- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
  - (2) We will not pay for any loss caused by:
    - (a) Your cancelling the lease;
    - (b) The suspension, lapse or cancellation of any license; or
    - (c) Any other consequential loss.

**c. Legal Liability Coverage Form**

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph **B.1.a.**, Ordinance Or Law;
  - (b) Paragraph **B.1.c.**, Governmental Action;
  - (c) Paragraph **B.1.d.**, Nuclear Hazard;
  - (d) Paragraph **B.1.e.**, Utility Services; and
  - (e) Paragraph **B.1.f.**, War And Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**5. Additional Exclusion**

The following provisions apply only to the specified property.

**LOSS OR DAMAGE TO PRODUCTS**

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**C. Limitations**

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

- (2) Business Income Coverage or Extra Expense Coverage.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.

- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or

- (2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

- (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.

- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.

- c. \$2,500 for patterns, dies, molds and forms.

- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.



4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
  - (1) A cause of loss listed in **2.a.** or **2.b.**;
  - (2) One or more of the "specified causes of loss";
  - (3) Breakage of building glass;
  - (4) Weight of people or personal property; or
  - (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does **not** apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in D.1. through D.7.

**E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
 

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

#### **F. Additional Coverage Extensions**

##### **1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

##### **2. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

##### **3. Glass**

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, **F.3.**, does not increase the Limit of Insurance.

#### **G. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

**COMMERCIAL PROPERTY  
CP 10 32 08 08**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WATER EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

**A.** The exclusion in Paragraph **B.** replaces the **Water** Exclusion in this Coverage Part or Policy.

**B. Water**

- 1.** Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- 2.** Mudslide or mudflow;
- 3.** Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- 4.** Water under the ground surface pressing on, or flowing or seeping through:
  - a.** Foundations, walls, floors or paved surfaces;
  - b.** Basements, whether paved or not; or
  - c.** Doors, windows or other openings; or

- 5.** Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **1.**, **3.** or **4.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **1.** through **5.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **1.** through **5.**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

This endorsement modifies insurance provided under the following:

**Building and Personal Property Coverage Form CP 00 10**  
**Causes of Loss – Special Form CP 10 30**

**CP-7130**  
**(Ed. 11-15)**

## COMMERCIAL PROPERTY PLUS II ENDORSEMENT

### Summary of Coverages

No coverage is provided by the summary of coverages below, nor can it be construed to replace any provisions of your policy or any endorsement attached thereto. You should read your policy, its endorsements, and any changes to your policy under this endorsement for complete information on coverages you are provided. If there is any conflict between the summary of coverages and your policy or the endorsements thereto, your policy and the endorsements will control.

Premises Boundary	1000 feet
Signs	Included as Covered Property
Debris Removal	\$50,000
Preservation of Property	60 days
Fire Department Service Charge	\$25,000
Pollutant Clean up and Removal	\$25,000
Building Ordinance or Law	
Coverage A	Included within Limit of Insurance
Coverage B	\$50,000
Coverage C	\$50,000
Electronic Data	\$25,000
Accounts Receivable      On-Premises	\$50,000
Off-Premises	\$50,000
Arson or Theft Reward	\$25,000
Back- up of Sewers or Drains	\$25,000    subject to \$100,000 policy aggregate
Brands and Labels	\$25,000
Consequential Loss to Stock	\$50,000
Employee Theft and Forgery or Alteration	\$50,000
Employees Tools	\$10,000
Electronic Data Processing Equipment	\$25,000
Fine Arts	\$25,000
Fire Extinguisher Recharge Expense	\$10,000
Lock and Key Replacement	\$1,500    \$50 Special Deductible
Loss Adjustment Expenses	\$10,000
Money and Securities	\$25,000    Inside/Outside
Off-Premises Utility Service Failure	\$25,000
Theft Damage to Building	Included
Newly Acquired or Constructed      Property	90 days
Building	The lesser of 25% of Building Limit or \$1,000,000



Business Personal Property	The lesser of 25% of BPP Limit or \$500,000
Personal Effects and Property of Others	\$25,000
Valuable Papers and Records (other than Electronic Data)	\$50,000
Property Off- Premises including Fairs, Trade Shows or Exhibitions	\$50,000
Salesperson's Samples	\$15,000
Laptops and other portable office equipment, territory worldwide	\$10,000
Outdoor Property	\$25,000, no more than \$1,000 for each tree, plant, or shrub
Spoilage due to Mechanical Breakdown	\$25,000
Patterns, Dies, Molds and Forms (Theft)	\$50,000
Property in Transit	\$50,000

### COVERAGES

The terms and conditions of your policy are amended as indicated below. If Business Income and /or Extra Expense Coverage is endorsed to this policy, those coverages do not extend to this Enhancement Endorsement. Unless otherwise stated, the limits applicable to the Coverage Extensions and Additional Coverages are in addition to the Limits of Insurance described in the policy Declarations. The minimum policy deductible available for this enhancement Endorsement is \$500.

#### **BUILDING AND PERSONAL PROPERTY COVERAGE FORM (CP 0010) is amended as follows:**

##### **I. Premises Boundary**

All provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises, unless otherwise indicated.

##### **II. Signs**

All provisions are revised to include signs, attached to building and not attached to building, as Covered Property, provided such signs would otherwise qualify as Covered Property under the policy.

##### **III. Section A. Coverage, subsection 4. Additional Coverages, is amended as follows:**

###### **4.a. Debris Removal**

The limit of coverage under item **4.a(4) Additional Coverages, Debris Removal**, is amended to an additional \$50,000 for each location in any one occurrence.

###### **4.b. Preservation of Property**

The limit of coverage under item **4.b (2) Additional Coverages, Preservation of Property**, is amended to a maximum of 60 days after the property is first moved.

###### **4.c. Fire Department Service Charge**

The limit of coverage under item **4.c paragraph 1, Additional Coverages, Fire Department Service Charge**, is amended to a maximum of \$25,000 per occurrence.

###### **4.d. Pollutant Clean Up and Removal**

The limit of coverage under item **4.d paragraph 3, Additional Coverages, Pollutant Clean Up and Removal**, is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**4.e Increased Cost of Construction is replaced by the following:**

**Building Ordinance or Law**

**Item 4.e., Additional Coverages, Increased Cost of Construction**, is deleted and replaced by the following Building Ordinance or Law Coverage:

If there is an ordinance or law in effect at the time of loss that regulates zoning, land use, or construction of a covered building, and if enforcement of that ordinance or law effects the repair or rebuilding of that building following damage by a Covered Cause of Loss we will pay for:

**1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building**

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

**2. Coverage B – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

The most we will pay under Coverage B is \$50,000 per occurrence

**3. Coverage C – Increased Cost of Construction Coverage**

- a.** With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1)** Repair or reconstruct damaged portions of that building; and/or
  - (2)** Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;
- when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1)** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2)** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

The most we will pay under coverage C is \$50,000 per occurrence.

- b.** When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

- (1)** The cost of excavating, grading, backfilling and filling;
- (2)** Foundation of the building;
- (3)** Pilings; and
- (4)** Underground pipes, flues and drains.

The items listed in **b.(1)** through **b.(4)** above are deleted from **SECTION A. COVERAGE, subsection 2. Property Not Covered**, but only with respect to the coverage described in this Provision, **3.b.**

We will not pay under Coverage A, B and/or C of this Additional Coverage:

1. The costs associated with the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or other to test for, monitor or cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

#### 4.f. Electronic Data

The limit of coverage under item **4.f.(4), Additional Coverages, Electronic Data**, is amended as follows:

The most we will pay under this Additional Coverage- Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations, or computer systems involved.

### III. The following are ADDED to Section A. Coverage, subsection 4. Additional Coverages of the Building and Personal Property Coverage Form:

#### 4.g. Accounts Receivable

- a. Under item **4.g. Additional Coverages, Accounts Receivable**, we will pay the following that result from Covered Causes of Loss to your records of accounts receivable located at the described premises shown in the Declarations:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

#### b. Exclusions

- (1) Section B., Exclusions - Cause of Loss -Special Form - does not apply to this Accounts Receivable Coverage, except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War and Military Action;

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

- (2) We will not pay for loss or damage caused by or resulting from any of the following:

- (a) Dishonest or criminal acts by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- (b) Alterations, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (c) Bookkeeping, accounting or billing errors or omissions.
  - (d) Electrical or magnetic injury, disturbance or erasure of electronic recordings; but we will pay for direct loss or damage caused by lightning.
  - (e) Voluntary parting with any property by you or anyone else to whom you have entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
  - (f) Unauthorized instructions to transfer property to any person or to any place.
- (3) We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence. However, where you establish wholly apart from such an audit or computation that you have sustained a loss, then you may offer your audit or records and inventory computation in support of the amount of loss claimed.
- (4) We will not pay for loss or damage caused by or resulting from any of the following:
- (a) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph (1) above to produce the loss or damage.
  - (b) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - (c) Faulty, inadequate or defective
    - i. Planning, zoning, development, surveying, siting;
    - ii. Design, specifications, workmanship, repair, construction, renovations or remodeling, grading, compaction;
    - iii. Material used in repair, construction, renovation or remodeling; or
    - iv. Maintenance;
 of part or all of any property on or off the described premises.
- But if an excluded cause of loss that is listed in (4) a. through (4) c. above results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**c. Preservation of Records**

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place away from the described premises;
- (2) Being taken to and returned from that place.

This Coverage Extension is included within, and is not in addition to, the Limit of Insurance applicable to the premises from which the records of accounts receivable are removed.

**d. Limits of Insurance**

The most we will pay for loss or damage in any one occurrence is \$50,000.

For Accounts Receivable not at any premises described in this policy, the most we will pay is \$50,000.

**4.h. Arson or Theft Reward**

- a. Under item **4.h. Additional Coverages, Arson or Theft Reward**, we will pay a reward for information that leads to a criminal conviction in connection with loss or damage to covered property by a covered theft or fire loss. The most we will pay for loss or damage under this Additional Coverage is \$25,000 regardless of the number of people involved in providing information.

**4.i. Back-up of Sewers or Drains**

- a. Under item **4.i. Additional Coverages, Back-up of Sewers or Drains**, we will pay for direct loss caused by water that backs up through sewers or drains, or water that enters into and overflows from or within a sump pump, sump pump well or other type system designed to remove subsurface water which is drained from the foundation area.
- b. The most we will pay under this Extension is \$25,000 per occurrence, subject to a policy aggregate of \$100,000 per policy period

c. Section B., Exclusions Item g. (3) - Cause of Loss -Special Form- is replaced by the following:

- (3) Water that backs up from a sewer, drain or sump, except as provided by Additional Coverage 4.i (above) Back-up of Sewers or Drains.

#### 4.j. Brands and Labels

- a. Under item **4.j Additional Coverages, Brands and Labels**, if covered Business Personal Property is damaged by a Covered Cause of Loss, we may take all or any part of the damaged property at an agreed or appraised value. If so, you may:
- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
  - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
- b. We will pay reasonable costs you incur up to \$25,000 for your expenses for stamping or removing brands or labels. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

#### 4.k. Consequential Loss to Stock

- a. Under item **4.k. Additional Coverages, Consequential Loss to Stock**, we will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in process of manufacture at the described premises.
- b. In the application of the COINSURANCE Additional Condition, the value of "stock" in process of manufacture at any location to which this endorsement applies, includes the additional value that it represents in "stock" at other locations.
- c. The most we will pay under this Additional Coverage for each described premises is \$50,000.

#### 4.l. Employee Theft and Forgery or Alteration

##### A. Insuring Agreements

Under item **4.l. Additional Coverages, Employee Theft and Forgery**, coverage is provided for the following Insuring Agreements;

##### 1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

This coverage does not apply to any "employee" immediately upon discovery by you or any of your partners, officers, or directors not in collusion with the "employee"; of any theft or dishonest act committed by that "employee" before or after being employed by you.

##### 2. Forgery or Alteration

- a. We will pay for loss resulting directly from "forgery" or unauthorized alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
- (1) Made or drawn by or drawn upon you; or
  - (2) Made or drawn by one acting as your agent;
- Or that are purported to have been so made or drawn.
- b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for reasonable legal expenses that you incur and pay in that defense. Such reasonable legal expenses shall be deemed to be part of the loss resulting from the "forgery" or unauthorized alteration giving rise to such legal expenses and shall be included in the Limit of Insurance set forth in paragraph B. of this Additional Coverage part.

**B. Limit of Insurance:** The most we will pay for loss or damage, including reasonable legal expense payments as provided under this Additional Coverage, in any one "occurrence" is \$50,000. All loss or damage caused by one or more "employees," or involving a single act or series of related acts, is considered one occurrence.

**C. Exclusions**

**1.** This Additional Coverage does not apply to:

**a. Acts Committed By You, Your Partners or Your Members**

Loss resulting from "theft" or any other dishonest act committed by:

(1) You; or

(2) Any of your partners or "members";

Whether acting alone or in collusion with other persons.

**b. Indirect Loss**

Loss that is an indirect result of any act or "occurrence" covered by this Additional Coverage including, but not limited to, loss resulting from:

(1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".

(2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this Additional Coverage.

(3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage. Item 4.r of this enhancement endorsement is not applicable to this section.

**2. Insuring Agreement A.1. Does not apply to:**

**a. Employee Cancelled Under Prior Insurance**

Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

**b. Inventory Shortages**

Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

**c. Trading**

Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

**d. Warehouse Receipts**

Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

**3. Insuring Agreement A.2. does not apply to:**

**Acts Of Employees, Managers, Directors, Trustees Or Representatives**

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

**a.** Whether acting alone or in collusion with other persons; or

**b.** While performing services for you or otherwise.

**4. Discovery**

(1) We will pay for loss that you sustain through acts committed at any time and discovered by you during the policy period shown in the Declarations; or



- (2) Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Additional Coverage has been or will be incurred, even though the exact amount or details of loss may not then be known. Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this Additional Coverage.

#### 5. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this Additional Coverage at any time during the policy period and up to 3 years afterward.

#### 6. Definitions

- (1) "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- (2) "Occurrence" means:
- (a) As respects Insuring Agreement A.1., all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
  - (b) As respects Insuring Agreement A.2., all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
- (3) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
- (4) "Theft" means the unlawful taking of "money", "securities" or "other property" to the deprivation of the Insured.

#### 4.m. Employees Tools

- a. Under item **4.m. Additional Coverages, Employees Tools**, you may extend the insurance provided by this Coverage Form for direct physical loss or damage to covered property located at the premises described in the Declarations, to apply to tools owned by your "employees." Our payment for loss of or damage to "employees" tools will only be for the account of the owner of the property. The loss or damage must be caused by or result from a Covered Cause of Loss.
- b. The most we will pay for loss or damage under this Extension is \$10,000 for any one loss or damage, but not more than \$2,500 for such property owned by any one "employee."

#### 4.n. Electronic Data Processing Equipment

- a. Under item **4.n. Additional Coverages, Electronic Data Processing Equipment**, you may extend the insurance provided by this Coverage Form for direct physical loss or damage to covered property located in a building described in the Declarations, which is limited to covered property that is your computer equipment, media, "electronic data" (as defined in the Property Not Covered Section of your policy) and programs which you own, lease or rent from others, or for which you are legally responsible, which is caused by any of the following Additional Covered Causes of Loss:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force; and
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices or wires.

To the extent that "electronic data" is not replaced or restored, loss to "electronic data" will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

In the event of a loss to your covered property specified herein caused by an Additional Covered Causes of Loss, we cover your additional loss expenses for the "period of restoration". Such additional loss expense shall be included within and not in addition to our limits of liability set forth in paragraph e. below.

- b. Coverage under this Extension includes:
- (1) Personal computers, electronic data processing and word processing equipment including their component parts;

(2) "Electronic data" as defined above; and

(3) Media on which data is stored

c. We do not cover:

(1) Equipment or media that is sold on an installment plan once it leaves your custody;

(2) Equipment or media that you rent to others while it is away from a described premises;

(3) Media that cannot be replaced;

(4) Program support documentation, flow charts, record formats or narrative descriptions unless this property has been converted to data form;

(5) Loss that results from an error or omission in programming or giving improper instructions to the equipment, except that this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worm, logic bombs or other malicious software;

(6) Loss caused by the suspension, lapse or cancellation of a lease, contract or order;

(7) Loss or damage caused by or resulting from magnetic injury, or similar disturbance that affects computers, programs, or electronic media and records.

(8) "Extra Expense" that results from the items listed above.

"Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from any of the Additional Covered Causes of Loss set forth in this Additional Coverage.

d. For the purposes of this Coverage Extension only, the "period of restoration" means the period of time that:

(1) Begins with the date of direct physical loss or damage caused by or resulting from any Additional Covered Cause of Loss to the covered property specified above at the described premises; and

(2) Ends on the date when the electronic data processing equipment or media at the described premises is or reasonably could be repaired, rebuilt or replaced with reasonable speed and similar quality, regardless whether any or all lost "electronic data" has not been partially or fully repaired or replaced.

The "period of restoration" is not limited by the expiration date of this policy.

e. The most we will pay for loss or damage under this Extension is \$25,000 for any one loss to the covered property specified above caused by an Additional Covered Cause of Loss.

#### 4.o. Fine Arts

a. Under item **4.o. Additional Coverages, Fine Arts**, you may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to objects of art, art glass windows, antique or period furniture, and other items that have artistic merit, antique value or historical worth owned by you, or in your care, custody or control, located at the premises described in the Declarations. We will not cover such property if held for sale, nor for loss or damage caused by repair, restoration or retouching. Loss or damage must be caused by or result from a Covered Cause of Loss.

b. If loss or damage occurs, we will pay the appraisal value. If you do not have an appraisal, we will pay your cost at the time of purchase.

c. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

d. The most we will pay for loss or damage under this Fine Arts Coverage Extension is \$25,000 at each described premises.

#### 4.p. Fire Extinguisher Recharge Expense

Under item **4.p. Additional Coverages, Fire Extinguisher Recharge Expense**, we will pay the lesser of the cost of recharging or replacing your fire extinguishers or fire extinguishing systems( including hydrostatic testing if needed), because they are discharged as a result of fighting a fire on or within 100 feet of your described premises or discharge is accidental or results from a malfunction of the fire equipment. The most we will pay under this Additional Coverage is \$10,000 in any one occurrence. Section I, Premises Boundary of this endorsement does not apply to the Additional Coverage provided by this paragraph 4.p.

**4.q. Lock and Key Replacement**

Under item **4.q. Additional Coverages, Lock and Key Replacement**, we will pay the expenses you incur for the replacement of locks and keys of Buildings which you own or occupy at premises described in the Declarations if keys are stolen. The most we will pay under this Additional Coverage is \$1,500 per occurrence. A Special Deductible of \$50 applies.

**4.r. Loss Adjustment Expenses**

Under item **4.r. Additional Coverages, Loss Adjustment Expenses**, you may extend the insurance provided by this Coverage Form to cover your expenses for preparation of loss data, including recording information, compiling inventories, or obtaining appraisals, that we require in connection with any claim covered under this policy, except for public adjusters hired by you. The most we will pay under this Extension is \$10,000 for any one loss.

**4.s. Money and Securities**

**1. Under item 4.s. Additional Coverages, Money and Securities**, we will pay for loss of:

- a. "money" and "securities" while located within the "premises" resulting directly from the following covered Causes of Loss:

- (1) Theft, meaning any act of stealing;

- (2) Disappearance; or

- (3) Destruction

provided such theft, disappearance or destruction is caused by the criminal removal from the "premises" or destruction of the "money" and "securities".

- b. "money" and "securities" resulting directly from any Covered Cause of Loss set forth in (a) above while outside the "premises" in the care and custody of an armored motor vehicle company. But, we will only pay for the amount of loss that you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and

- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

- c. "money" and "securities" resulting directly from any Covered Cause of Loss set forth in (a) above while in the care, custody and control of a "messenger".

Under this Additional Coverage, "premises" means the interior of that portion of any building shown in the policy Declarations, you occupy in conducting your business.

**2. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:**

- a. Resulting from accounting or arithmetical errors or omissions;
- b. That requires any audits of records or any inventory computations to prove its factual existence. However, where you establish wholly apart from such audit or computations that you have sustained a loss, then you may offer your audit of records and inventory computation in support of the amount of loss claimed.
- c. Resulting from the giving or surrendering of property in any exchange or purchase;
- d. Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- e. Resulting from any dishonest or criminal act committed by you or any of your employees, directors, trustees or authorized representatives:

- (1) Acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise.

- f. From damage to the described premises resulting from fire, however caused;

- g. Of covered property after it has been transferred or surrendered to a person or place outside the described premises;

- (1) On the basis of unauthorized instructions; or
- (2) As a result of a threat to do bodily injury to any person or damage to any property.

But this exclusion does not apply to loss of covered property while outside the described premises or "banking premises" in the care and custody of a "messenger" if you have knowledge of any threat at the time of the conveyance from the described premises or "banking premises" to the "messenger";

- h. From damage to the described premises or its exterior;

- i. Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

- 3. The most we will pay for loss in any one occurrence is:

- a. \$25,000 for Inside the Premises for "money" and "securities" while inside the insured premises described in the policy Declarations; or
- b. \$25,000 for Outside the Premises for "money" and "securities" in the care and custody of a "messenger" or the armored motor vehicle company.

- 4. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

- 5. Definitions

"Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

"Messenger" means you, a relative of yours, or any of your partners, "members", "managers" or any "employee" while having care and custody of property outside the "premises".

#### **4.t. Off Premises Utility Service Failure**

Under item **4.t. Additional Coverages, Off Premises Utility Service Failure**, we will pay for direct physical loss or damage to Covered Property that is caused by:

- 1. The interruption of utility service to the premises described in the policy Declarations. This interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to the following property located off the premises described in the policy Declarations:
  - a. Water Supply Services, meaning the following types of property supplying water to the described premises:
    - (1) Pumping stations; and
    - (2) Water mains.
  - b. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
    - (1) Communication transmission lines, including optic fiber transmission lines;
    - (2) Coaxial cables; and
    - (3) Microwave radio relays except satellites.

Communication Supply Services do not include overhead transmission lines.
  - c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
    - (1) Utility generating plants;
    - (2) Switching stations;

(3) Substations; and

(4) Transformers

Power Supply Services do not include overhead transmission lines.

Coverage under item **4.t. Additional Coverages, Off Premises Utility Service Failure** does not apply to loss or damage to electronic data, including destruction or corruption of electronic data.

2. We will not pay for loss or damage caused by or resulting from:

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- c. The inability of an electrical utility company to or other power source to provide sufficient power due to lack of fuel or governmental order;
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
- e. Breaking of any glass that is a permanent part of any refrigeration, cooling or humidity control unit.

The most we will pay under this Extension is \$25,000 for any one occurrence.

#### 4.u. Theft Damage to Building

Under item **4.u. Additional Coverages, Theft Damage to Building**, we will pay for damage caused directly by burglary, theft or attempted burglary or theft to:

- a. That part of any building described in the policy Declarations containing your Business Personal Property; or
- b. Equipment within that building used to maintain or service the building.

We will not pay for damage caused by fire or explosion.

This Coverage Extension is included within, and is not in addition to, the Limit of Insurance applicable to the location described in the Declarations.

### VI. Section A. Coverage, Subsection 5. – Coverage Extensions of the Building and Personal Property Coverage Form are amended as follows:

#### 5.a. Newly Acquired or Constructed Property

We will extend coverage in accordance with item **5.a. Coverage Extension, Newly Acquired or Constructed Property**, except that:

- (1) The most we will pay at each newly acquired location for loss or damage to your Building under this extension is increased to the lesser of 25% of your Building limit or \$1,000,000 at each location.
- (2) The most we will pay at each newly acquired location for loss or damage under this extension for Your Business Personal Property is increased to the lesser of 25% of your Building Personal Property limit or \$500,000 at each location.
- (3) The maximum days under paragraph (3)(b) is increased to 90 days.

#### 5.b. Personal Effects and Property of Others

The maximum amount for each described premises under item **5.b. Coverage Extensions, Personal Effects and Property of Others** does not apply. The most we will pay for loss or damage under this Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. This extension does not apply to tools owned by your “employees”.



**5.c. Valuable Papers and Records (other than Electronic Data)**

The maximum amount for each described premises under item **5.c.(4), Coverage Extensions, Valuable Papers and Records (other than Electronic Data)** does not apply. The most that we will pay under this extension is \$50,000 at each described premises.

**5.d. Property Off-Premises**

1. The most we will pay for loss or damage under item **5.d., Coverage Extensions, Property Off-Premises**, is amended to \$50,000, except that the most we will pay for loss of or to laptops and portable office equipment is \$10,000. For purposes of this extension, the coverage territory with respects to laptops and portable office equipment only is amended to worldwide.
2. You may extend this insurance provided by this Coverage Extension to include Business Personal Property, other than "stock," in a salesperson's care, custody or control. This extension also applies to Covered Property in or on a vehicle while in a salesperson's care, custody and control unless coverage is provided under Part VII, Paragraph F of this endorsement in which event Paragraph F of Part VII shall control. The most we will pay under this extension is \$15,000.

**5.e. Outdoor Property**

Item **5.e. Coverage Extensions, Outdoor Property**, is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following property:

- a. Your outdoor fences, retaining walls, light poles, and flag poles that are not part of a building.
- b. Your outdoor radio, television, satellite, dish-type or other antennas, including their masts, towers, lead-in and support wiring.
- c. Your outdoor trees, shrubs and plants that are not "stock."

The most we will pay is \$25,000 in any one occurrence, but not more than \$1,000 for any one tree, shrub or plant.

**VII. Cause of Loss-Special Form CP 1030 is amended as follows:**

Under item **B.2.d.(6) Cause of Loss – Special Form, Exclusions**, mechanical breakdown is amended to read as follows:

Mechanical Breakdown or mechanical failure, including rupture or bursting caused by centrifugal force. But if spoilage to "perishable stock" results, we will pay for that resulting loss or damage due to direct physical loss arising from mechanical breakdown or mechanical failure. If mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision. The most we will pay under this Extension is \$25,000.

Under this Additional Coverage "perishable stock" means property:

- a. maintained under controlled temperature or humidity conditions for preservation; and
- b. susceptible to loss or damage if the controlled temperature or humidity conditions change.

Mechanical Breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

**C. Limitations**

Paragraph **3.c.** of **C. Limitations** is replaced by the following:

- 3.c.** \$10,000 for patterns, dies, molds and forms.

**F. Additional Coverage Extensions is amended as follows:**

Paragraph **1.a.** of **F. Additional Coverage Extensions, Property in Transit**, is amended to delete the exception for property in the care, custody or control of your salespersons.

Paragraph **1.c.** of **F. Additional Coverage Extensions, Property in Transit**, is replaced by the following:

- c. The most we will pay for loss or damage under this Extension is \$50,000



**VIII. Additional Conditions**

The following Additional Conditions are added to all coverages provided under this Coverage Enhancement:

- a.** Coverage afforded the insured under this Coverage Enhancement will be excess over any other valid and collectible insurance available to the insured.

**b. Non-Cumulation Of Limit Of Insurance**

Regardless of the number of years this Enhancement Endorsement remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

**IX. Additional Definitions**

**1. "Employee":**

**a. "Employee" means:**

**(1) Any natural person:**

- (a)** While in your service or for 30 days after termination of service;
- (b)** Who you compensate directly by salary, wages or commissions; and
- (c)** Who you have the right to direct and control while performing services for you;

**(2) Any natural person who is furnished temporarily to you:**

- (a)** To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
- (b)** To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises" ;

**(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;**

**(4) Any natural person who is:**

- (a)** A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s) " insured under this policy; and
- (b)** Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s) " insured under this policy;

**(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or**

**(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".**

**b. "Employee" does not mean:**

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or**
- (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".**

**2. "Manager" means a person serving in a directorial capacity for a limited liability company.**

**3. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".**

4. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
5. "Operations" means your business activities occurring at the described premises.
6. "Premises" means the interior of that portion of any building you occupy in conducting your business.
7. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".

Except as amended herein, all of the terms and conditions of your policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EQUIPMENT BREAKDOWN COVERAGE (Including Electronic Circuitry Impairment)**

This endorsement modifies insurance provided under the following:

Building And Personal Property Coverage Form  
Causes Of Loss – Basic Form  
Causes Of Loss – Broad Form  
Causes Of Loss – Special Form

THE FOLLOWING IS ADDED AS AN ADDITIONAL COVERAGE TO THE CAUSES OF LOSS – BASIC FORM, BROAD FORM OR SPECIAL FORM.

### **A. ADDITIONAL COVERAGE – EQUIPMENT BREAKDOWN**

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in the “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage **2.i. Service Interruption** below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of an “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.

#### **a. Business Income and Extra Expense**

- (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and the deductible shown in the “schedule” will apply.
- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the “schedule”.

#### **b. Data Restoration**

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless otherwise shown in the “schedule”.

#### **c. Expediting Expenses**

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
  - (a) Make temporary repairs; and
  - (b) Expedite permanent repairs or permanent replacement.
- (2) The most we will pay for loss or expense under this coverage is \$250,000 unless otherwise shown in the “schedule”.

#### **d. “Fungus”, Wet Rot, Dry Rot And Bacteria**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungus”, wet rot, dry rot or bacteria. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to the extent that such spoilage is covered under Spoilage coverage.
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no “fungus”, wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of “fungus”, wet rot, dry rot or bacteria.

- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 unless otherwise shown in the "schedule" even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

**e. Hazardous Substances**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.j.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$250,000 unless otherwise shown in the "schedule".

**f. Off Premises Equipment Breakdown**

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under (1) above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in (2) above is the limit for Property Off-Premises coverage, shown in your policy, unless otherwise shown in the "schedule".

**g. Public Relations**

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - (a) The media;
  - (b) The public; or
  - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000.

**h. Resultant Damage to Animals**

- (1) Any insurance provided under the coverage part for "animals" is extended to the coverage provided by this endorsement.
- (2) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000.

**i. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, "cloud computing services", wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud computing services".

- (4) Unless otherwise shown in the "schedule", any insurance provided for Business Income or Data Restoration will not apply under this Service Interruption coverage unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense, Data Restoration or Spoilage, except that if a limit is shown in the "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

#### j. Spoilage

- (1) We will pay for:
  - (a) Physical damage to "perishable goods" due to spoilage;
  - (b) Physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
  - (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" or "electronic circuitry impairment", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
- (3) The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in the "schedule".

### 3. EXCLUSIONS

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

#### a. The following exclusions are modified:

- (1) If the Causes of Loss – Basic Form or Causes of Loss – Broad Form applies, the following is added to Exclusion **B.2.**:  
Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" or "electronic circuitry impairment" results, we will pay for the resulting loss, damage or expense caused by that "accident" or "electronic circuitry impairment".
- (2) If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of Exclusion **B.2.d.** is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an "accident" or "electronic circuitry impairment", we will pay for the loss, damage or expense caused by that "accident" or "electronic circuitry impairment".

#### b. The following exclusions are added:

- (1) We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":
  - (a) Fire, including smoke from a fire;
  - (b) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
  - (c) Any other explosion, except as specifically covered under this endorsement;
  - (d) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
  - (e) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
  - (f) Vandalism.
- (2) Coverage under this endorsement does not apply to an "accident" or "electronic circuitry impairment" caused by or resulting from:
  - (a) Lightning;
  - (b) Windstorm or hail. However this exclusion does not apply when:
    - i. "Covered equipment" located within a building or structure suffers an "accident" or "electronic circuitry impairment" that results from wind-blown rain, snow, sand or dust; and
    - ii. The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
  - (c) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;



- (d) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
- (e) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
- (f) Water or other means used to extinguish a fire.
- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
  - (a) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
  - (b) Any increase in loss resulting from an agreement between you and your customer or supplier.
- (4) Except as specifically provided under **A.2.d. "Fungus", Wet Rot, Dry Rot And Bacteria** coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment": Any "fungus", wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "fungus", wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungus", wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "perishable goods", to the extent that such spoilage is covered under Spoilage coverage.
- (5) Except as specifically provided under **A.2.b., Data Restoration**, or **A.2.h. Resultant Damage to Animals**, we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":
  - (a) Physical loss or damage to "animals";
  - (b) Loss, interruption or compromise of any research, test or study involving "animals"; or
  - (c) Loss of income or extra expense resulting from (a) or (b) above.
- c. Exclusions **b.(2)(a)**, **b.(2)(b)**, **b.(2)(c)** and **b.(2)(d)** above shall not apply if:
  - (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
  - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
  - (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- d. Any cause of loss set forth in exclusion **b.(2)(d)** above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.

#### 4. DEFINITIONS

The following definitions are added with respect to this endorsement only:

- a. "Accident"
  - (1) "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
    - (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
    - (b) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
    - (c) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
    - (d) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
    - (e) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
  - (2) None of the following is an "accident":
    - (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data", loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or
    - (b) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".
- b. "Animal" means any creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.
- c. "Boilers and vessels" means:
  - (1) Any boiler, including attached steam, condensate and feedwater piping; and
  - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".



- d. "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.
- e. "Covered equipment"
  - (1) "Covered equipment" means, unless otherwise specified in the "schedule", Covered Property:
    - (a) That generates, transmits or utilizes energy; or
    - (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents. "Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.
  - (2) None of the following is "covered equipment":
    - (a) Structure, foundation, cabinet or compartment;
    - (b) Insulating or refractory material;
    - (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
    - (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    - (e) "Vehicle" or any equipment mounted on a "vehicle";
    - (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
    - (g) Dragline, excavation or construction equipment; or
    - (h) Equipment manufactured by you for sale.
- f. "Data" means information or instructions stored in digital code capable of being processed by machinery.
- g. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
- h. "Electronic circuitry impairment"
  - (1) "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in (2), (3) and (4) below.
  - (2) We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
  - (3) The "covered equipment" must be owned or leased by you, or operated under your control.
  - (4) None of the following is an "electronic circuitry impairment":
    - (a) Any condition that can be reasonably remedied by:
      - i. Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
      - ii. Rebooting, reloading or updating software or firmware; or
      - iii. Providing necessary power or supply.
    - (b) Any condition caused by or related to:
      - i. Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
      - ii. Insufficient size, capability or capacity of the "covered equipment".
    - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
- i. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- j. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
- k. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
- l. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- m. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel. This term does not appear elsewhere in this endorsement, but may appear in the "schedule".

- n. "Schedule" means the Equipment Breakdown Coverage Schedule
- o. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

**B. THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM IS MODIFIED AS FOLLOWS.**

The definitions stated above also apply to section **B.** of this endorsement.

**1. DEDUCTIBLE**

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** is deleted and replaced with the following:

**a. Deductibles for Each Coverage**

- (1) Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

**b. Direct and Indirect Coverages**

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- (2) Unless more specifically indicated in the "schedule":
  - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

**c. Application of Deductibles**

**(1) Dollar Deductibles**

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

**(2) Time Deductible**

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

**(3) Multiple of Average Daily Value (ADV)**

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

**(4) Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**2. CONDITIONS**

- a. The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

**(1) Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (a) Your last known address; or
- (b) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**(2) Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**(3) Coinsurance**

If a coinsurance percentage is shown in the "schedule" for specified coverages, the following condition applies. We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

**(4) Non-Duplication of Coverage**

If another endorsement is also attached to your policy which, to any extent, affords Coverage for loss or damage to Covered Property caused by or resulting from an "accident," the Coverage afforded by such other endorsement for such loss or damage is replaced by this endorsement and subject to all the terms of this endorsement.

- b. As respects this endorsement only, the Valuation Condition in the Building and Personal Property Coverage Form is deleted and replaced with the following:

**Valuation**

We will determine the value of Covered Property as follows:

- (1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:
  - (a) The cost to repair the damaged property;
  - (b) The cost to replace the damaged property on the same site; or
  - (c) The amount you actually spend that is necessary to repair or replace the damaged property.
- (2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
- (3) Except as described in (4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- (4) Environmental, Safety and Efficiency Improvements
 

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.
- (5) The following property will be valued on an Actual Cash Value basis:
  - (a) Any property that does not currently serve a useful or necessary function for you;
  - (b) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
  - (c) Any Covered Property for which Actual Cash Value coverage is specified in the "schedule".

Actual Cash Value includes deductions for depreciation.

- (6)** If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
  - (a)** The property was manufactured by you;
  - (b)** The sales price of the property is less than the replacement cost of the property; or
  - (c)** You are unable to replace the property before its anticipated sale.
- (7)** Except as specifically provided for under Data Restoration coverage, “data” and “media” will be valued on the following basis:
  - (a)** For mass-produced and commercially available software, at the replacement cost.
  - (b)** For all other “data” and “media”, at the cost of blank “media” for reproducing the records. We will not pay for “data” representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any “one equipment breakdown” is the applicable Limit of Insurance in the Declarations unless otherwise shown in the “schedule”. Coverage provided under this endorsement does not provide an additional amount of insurance.

IL 00 03 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

IL 00 03 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.



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## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 00 21 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

IL 00 23 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF  
TRANSPORTATION

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

IL 01 11 11 03

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW JERSEY CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A. The following exclusion and related provisions are added:**

1. We will not pay for loss or damage arising out of any act committed:
  - a. By or at the direction of any insured; and
  - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny payment to a co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of domestic violence.
3. If we pay a claim pursuant to Paragraph **A.2.**, our payment to the insured is limited to that insured's insurable interest in the property. In no event will we pay more than the Limit of Insurance.

To the extent that the Concealment, Misrepresentation Or Fraud Condition conflicts with the provisions of Paragraph **A.2.** above, the provisions of **A.2.** will apply.

**B. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:**

If we pay a co-insured for loss arising out of an act of domestic violence by another insured, the rights of the co-insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to us to the extent of our payment. Following the loss, the co-insured who did not cooperate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.



IL 01 41 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW JERSEY CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
ELECTRONIC DATA LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A.** The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under New Jersey law.

**B.** Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to the:

- 1.** Individual Named Insured by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of such Named Insured's household, including a ward or foster child; or
- 2.** Individual named in the Schedule by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

**C.** With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of your household, including a ward or foster child.

IL 01 66 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES – ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

IL 01 72 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 FARM COVERAGE PART

**A. For insurance provided under the:**

Boiler and Machinery Coverage Part  
 Capital Assets Program (Output Policy) Coverage Part  
 Commercial Inland Marine Coverage Part  
 Commercial Crime Coverage Part  
 Commercial Property Coverage Part

The **TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY** Common Policy Condition is replaced by the following:

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

If you die, this Coverage Part will remain in effect as provided in 1. or 2. below, whichever is later:

1. For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or
2. Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

**B. For insurance provided under the:**

Capital Assets Program (Output Policy) Coverage Part

Commercial Inland Marine Coverage Part  
 Commercial Property Coverage Part  
 Farm Coverage Part

The following is added to the **LOSS PAYMENT** Loss Condition and supersedes any provision to the contrary:

**NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM**

1. Except as provided in 3. below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:

- a. Accept your claim;
- b. Deny your claim; or
- c. Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in 1.c. above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
3. The notice procedures in 1. and 2. above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

IL 01 83 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – FRAUD**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL  
COVERAGES, CONDITIONS, DEFINITIONS  
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE  
FORM  
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

### **FRAUD**

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the COMMERCIAL AUTOMOBILE COVERAGE PART, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

IL 02 07 12 17

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****MARYLAND CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Cancellation** Common Policy Condition is amended as follows:
- 1.** Paragraphs **2.** and **3.** are replaced by the following:
    - a.** When this Policy has been in effect for 45 days or less and is not a renewal policy, we may cancel this Policy by mailing to the first Named Insured at the last mailing address known to us written notice of cancellation, stating the reason for cancellation, at least:
      - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
      - (2)** 15 days before the effective date of cancellation if we cancel because the risk does not meet our underwriting standards.
    - b.** When this Policy has been in effect for more than 45 days or is a renewal policy, we may cancel this Policy by mailing to the first Named Insured at the last mailing address known to us written notice of cancellation at least:
      - (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - (2)** 45 days before the effective date of cancellation if we cancel for a permissible reason other than nonpayment of premium, stating the reason for cancellation. Under this Paragraph **(2)**, we may cancel only for one or more of the following reasons:
    - (a)** When there exists material misrepresentation or fraud in connection with the application, policy, or presentation of a claim.
    - (b)** A change in the condition of the risk that results in an increase in the hazard insured against.
    - (c)** A matter or issue related to the risk that constitutes a threat to public safety.

If we cancel pursuant to Paragraph **b.(2)**, you may request additional information on the reason for cancellation within 30 days from the date of our notice.
  - 2.** Paragraph **5.** is replaced by the following:
 

If this Policy is cancelled, we will send the first Named Insured any premium refund due.

    - a.** The refund will be pro rata if:
      - (1)** We cancel; or
      - (2)** The Policy is not a renewal policy, and the first Named Insured cancels upon receiving written notice that we recalculated the premium based on the discovery of a material risk factor during the first 45 days the Policy has been in effect.



- b. If the first Named Insured cancels, other than the cancellation described in Paragraph **a.(2)**, the refund will be calculated as follows:

**(1) Policies Written For One Year Or Less**

We will refund 90% of the pro rata unearned premium.

**(2) Policies Written For More Than One Year**

- (a) If the Policy is cancelled in the first year, we will refund 90% of the pro rata unearned premium for the first year, plus the full annual premium for subsequent years.

- (b) If the Policy is cancelled after the first year, we will refund the pro rata unearned premium.

**(3) Continuous And Annual Premium Payment Policies**

We will refund 90% of the pro rata unearned premium for the year in which the Policy is cancelled.

We will retain the minimum premium, except if the Policy is cancelled as of the inception date.

However, if this Policy is financed by a premium finance company and we or the premium finance company or the first Named Insured cancels the Policy, the refund will consist of the gross unearned premium computed pro rata, excluding any expense constant, administrative fee or nonrefundable charge filed with and approved by the insurance commissioner.

The cancellation will be effective even if we have not made or offered a refund.

- C.** Paragraph **6.** of the **Cancellation** Common Policy Condition is replaced by the following, except as provided in Paragraph **D.** of this endorsement.

We will send notice of cancellation to the first Named Insured by a "first-class mail tracking method" if:

- a. We cancel for nonpayment of premium; or
- b. This Policy is not a renewal of a policy we issued and has been in effect for 45 days or less.

We will send notice to the first Named Insured by a "first-class mail tracking method" or by commercial mail delivery service if we cancel for a reason other than nonpayment of premium and this Policy:

- a. Is a renewal of a policy we issued; or
- b. Has been in effect for more than 45 days.

We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.

- D.** With respect to the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, Paragraph **6.** of the **Cancellation** Common Policy Condition is replaced by the following:

We will send notice to the first Named Insured by a "first-class mail tracking method" if we cancel the Policy. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service. Proof of mailing will be sufficient proof of notice.

- E.** The following condition is added, except as provided in Paragraph **F.** of this endorsement.

**Nonrenewal**

1. We may elect not to renew this Policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this Policy.
2. We will send notice of nonrenewal to the first Named Insured by a "first-class mail tracking method" or by commercial mail delivery service. We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service or by other commercial mail delivery service when such service is used. Proof of mailing will be sufficient proof of notice.
3. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew. You may request additional information within 30 days from the date of our notice.

4. If we offer to renew at least 45 days before the renewal date and you fail to make the required premium payment by the renewal date, the Policy will terminate on the renewal date for nonpayment of premium.

F. With respect to the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form, the following condition is added:

**Nonrenewal**

1. We may elect not to renew this Policy by mailing notice of nonrenewal to the first Named Insured at the last mailing address known to us at least 45 days before the expiration date of this Policy.
2. We will send notice of nonrenewal to the first Named Insured by a "first-class mail tracking method". We will maintain proof of mailing in a form authorized or accepted by the United States Postal Service. Proof of mailing will be sufficient proof of notice.
3. When we elect not to renew a policy that has been in effect for more than 45 days for a reason other than nonpayment of premium, we will provide a written statement of the actual reason for the refusal to renew.

G. The following is added to the **Legal Action Against Us** Condition and supersedes any other provision to the contrary:

In addition to any other requirement for bringing a legal action against us, the action must be brought within three years from the date it accrues.

H. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

**Concealment, Misrepresentation Or Fraud**

We do not provide coverage in any case of fraud by you, at any time, as it relates to this insurance. We also do not provide coverage if you or any other insured ("insured"), at any time, intentionally conceals or misrepresents a material fact concerning:

1. This insurance;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this insurance.

I. The following definition is added:

"First-class mail tracking method" means a method that provides evidence of the date that a piece of first-class mail was accepted for mailing by the United States Postal Service, including a certificate of mail and an electronic mail tracking system used by the United States Postal Service.

"First-class mail tracking method" does not include a certificate of bulk mailing.

IL 02 08 09 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW JERSEY CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A.** Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

**B.** Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

**2.** If this policy has been in effect for less than 60 days, we may cancel this policy for any reason subject to the following:

**a.** We may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice, of cancellation, at least:

**(1)** 10 days before the effective date of cancellation if we cancel for:

**(a)** Nonpayment of premium; or

**(b)** Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

**(i)** "The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and

**(ii)** "The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'".

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation.

C. The following is added to the **Cancellation** Common Policy Condition:

**7. Cancellation Of Policies In Effect For 60 Days Or More**

a. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);
- (3) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
- (4) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
- (5) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
- (6) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;
- (7) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
- (8) Loss of or reduction in available insurance capacity;
- (9) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
- (10) Loss of or substantial changes in applicable reinsurance;
- (11) Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;

(12) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond.

(13) Agency termination, provided:

(a) We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or

(b) We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.

(14) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.

b. If we cancel this policy based on Paragraph 7.a.(1) or (2) above, we will mail or deliver a written notice, to the first Named Insured and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. If we cancel this policy for any other reason listed above, we will mail or deliver a written notice to the first Named Insured and any person entitled to notice under this policy, not more than 120 days nor less than 30 days before the effective date of such cancellation.

c. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.

d. Notice will be sent to the last mailing addresses known to us, by:

(1) Certified mail; or

(2) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.

e. We need not send notice of cancellation if you have:

- (1) Replaced coverage elsewhere; or
- (2) Specifically requested termination.

D. The following is added and supersedes any other provision to the contrary:

**NONRENEWAL**

1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail a notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at least 30 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.

2. This notice will be sent to the first Named Insured at the last mailing address known to us by:

- a. Certified mail; or
- b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing the first Named Insured's name and address.

3. We need not mail or deliver this notice if you have:

- a. Replaced coverage elsewhere; or
- b. Specifically requested termination.

IL 02 46 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. The **Cancellation** Common Policy Condition is replaced by the following:**

### **CANCELLATION**

**1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.**

**2. **Cancellation Of Policies In Effect For Less Than 60 Days****

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

**3. **Cancellation Of Policies In Effect For 60 Days Or More****

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

**a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.**

**b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.**

**c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.**

**d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.**

**e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.**



- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

- 4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
- 5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

- 7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

**B. The following are added and supersede any provisions to the contrary:**

**1. Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

**2. Increase Of Premium**

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NEW YORK CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:**

1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.

**2. Cancellation Of Policies In Effect**

**a. 60 Days Or Less**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph **A.2.b.** below.
- (2) 15 days before the effective date of cancellation if we cancel for any of the reasons included in Paragraph **A.2.b.** below.

**b. For More Than 60 Days**

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed below, provided we mail the first Named Insured written notice at least 15 days before the effective date of cancellation:

- (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;

- (2) Conviction of a crime arising out of acts increasing the hazard insured against;
- (3) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;
- (4) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and which occurred subsequent to inception of the current policy period;
- (5) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, which results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- (6) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

(7) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

(8) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Department of Financial Services, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Department of Financial Services.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

**B. The following is added to the Cancellation Common Policy Condition:**

7. If one of the reasons for cancellation in Paragraph **A.2.b.** or **D.2.b.(2)** exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

**C. The following conditions are added:**

**1. Nonrenewal**

If we decide not to renew this policy we will send notice as provided in Paragraph **C.3.** below.

**2. Conditional Renewal**

If we conditionally renew this policy subject to:

a. A change of limits;

b. A change in type of coverage;

c. A reduction of coverage;

d. An increased deductible;

e. An addition of exclusion; or

f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph **C.3.** below.

**3. Notices Of Nonrenewal And Conditional Renewal**

a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs **C.1.** and **C.2.** above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

(1) The expiration date; or

(2) The anniversary date if this is a continuous policy.

b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.

d. If we violate any of the provisions of Paragraph **C.3.a., b.** or **c.** above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:

(1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;

- (2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
  - e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
    - (1) Upon expiration of the 60-day period, unless Subparagraph (2) below applies; or
    - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.
  - f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.
- D. The following provisions apply when the Commercial Property Coverage Part, the Farm Coverage Part or the Capital Assets Program (Output Policy) Coverage Part is made a part of this policy:
- 1. Items D.2. and D.3. apply if this policy meets the following conditions:
    - a. The policy is issued or issued for delivery in New York State covering property located in this state; and
    - b. The policy insures:
      - (1) For loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or
      - (2) For loss of or damage to personal property other than farm personal property or business property; or
      - (3) Against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and
  - c. The portion of the annual premium attributable to the property and contingencies described in 1.b. exceeds the portion applicable to other property and contingencies.
2. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:
- 2. Procedure And Reasons For Cancellation**
- a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
    - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due; or
    - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
  - b. But if this policy:
    - (1) Has been in effect for more than 60 days; or
    - (2) Is a renewal of a policy we issued; we may cancel this policy only for one or more of the following reasons:
      - (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
      - (2) Conviction of a crime arising out of acts increasing the risk of loss;
      - (3) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
      - (4) Discovery of willful or reckless acts or omissions increasing the risk of loss;
      - (5) Physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly applied underwriting standards in effect when we:
        - (a) Issued the policy; or
        - (b) Last voluntarily renewed the policy;

- (6) The Superintendent of Financial Services' determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (7) Required pursuant to a determination by the Superintendent of Financial Services that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

3. The following are added:

**a. Conditional Continuation**

Instead of cancelling this policy, we may continue it on the condition that:

- (1) The policy limits be changed; or
- (2) Any coverage not required by law be eliminated.

If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

**b. Nonrenewal**

If, as allowed by the laws of New York State, we:

- (1) Do not renew this policy; or
- (2) Condition policy renewal upon:
  - (a) Change of limits; or
  - (b) Elimination of coverage;

we will mail or deliver written notice of nonrenewal or conditional renewal:

- (a) At least 45 days; but
- (b) Not more than 60 days;

before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- E.** The following is added to the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

When the property is subject to the Anti-arson Application in accordance with New York Department of Financial Services' Insurance Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

- 1. Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.
- 2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in **E.1.** and **E.2.** above supersede any contrary provisions in this policy including this endorsement.

If the notice in **E.1.** or **E.2.** above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

- F.** The following applies to the Commercial Property Coverage Part, the Farm Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

Paragraphs **f.** and **g.** of the **Mortgageholders** Condition are replaced by the following:

**f. Cancellation**

- (1) If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (b) 30 days before the effective date of cancellation if we cancel for any other reason.

(2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:

- (a) The effective date of cancellation of the insured's coverage; or
- (b) 10 days after we give notice to the mortgageholder.

**g. Nonrenewal**

(1) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

(2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, nonrenewal will become effective on the later of:

- (a) The expiration date of the policy; or
- (b) 10 days after we give notice to the mortgageholder.

**G.** The following provisions apply when the following are made a part of this policy:

Commercial General Liability Coverage Part  
 Employment-Related Practices Liability Coverage Part  
 Farm Liability Coverage Form  
 Liquor Liability Coverage Part  
 Products/Completed Operations Liability Coverage Part

- 1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph **C.3.d.** above.
- 2. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.



IL 09 10 07 02

## PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

### Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

IL 09 35 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

IL 09 52 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

POLICY NUMBER: MPA00000025695Z

IL 09 85 01 15

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE**

<b>SCHEDULE – PART I</b>		
<b>Terrorism Premium (Certified Acts)    \$0</b> <b>This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):</b> Commercial General Liability Coverage Part Commercial Property Coverage Part		
<b>Additional information, if any, concerning the terrorism premium:</b>		
<b>SCHEDULE – PART II</b>		
<b>Federal share of terrorism losses</b>	<b>85%</b>	<b>Year: 2015</b>
(Refer to Paragraph B. in this endorsement.)		
<b>Federal share of terrorism losses</b>	<b>84%</b>	<b>Year: 2016</b>
(Refer to Paragraph B. in this endorsement.)		
<b>Federal share of terrorism losses</b>	<b>83%</b>	<b>Year: 2017</b>
(Refer to Paragraph B. in this endorsement.)		
<b>Federal share of terrorism losses</b>	<b>82%</b>	<b>Year: 2018</b>
(Refer to Paragraph B. in this endorsement.)		
<b>Federal share of terrorism losses</b>	<b>81%</b>	<b>Year: 2019</b>
(Refer to Paragraph B. in this endorsement.)		
<b>Federal share of terrorism losses</b>	<b>80%</b>	<b>Year: 2020</b>
(Refer to Paragraph B. in this endorsement.)		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

#### **A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**IL-7166  
(Ed. 8-06)**

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**MARYLAND CHANGES – RENEWAL LIMITS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
COMMERCIAL PROPERTY COVERAGE PART

The following is added to Property Conditions:

In order to maintain approximate insurance to value, we may increase building and business personal property limits of insurance at each renewal. The percentage increase will be determined based on factors such as the rate of inflation.



**IL-7185**  
**(Ed. 9-10)**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NOTICE OF CANCELLATION OR NONRENEWAL FOR DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under this policy:

### SCHEDULE

Policy Period: Effective date:06/15/2019 to      Expiration date: 06/15/2020		
Name of Person or Organization:	Project I.D.:	Mailing Address or Email Address:
Federal Business Centers Inc		Attn:Susanne Zoda Raritan Ctr Business Pk,300 Raritan Ctr Pkwy, Edison,NJ 08837
Blue Rock Construction Inc		1712 Hancock Ln, Burlington, NJ 08016
Consolidated Rail Corporation		1000 Howard Blvd, Mt Laurel, NJ 08054
Information required to complete this Schedule, if not shown above, will be shown in the Declarations or additional separate Schedule.		

The following **Condition** is added:

If we cancel or nonrenew this policy, other than for non-payment of premium or at the request of the Named Insured, we will provide advance written notice of such cancellation or nonrenewal to the person(s) or organization(s) listed in the SCHEDULE above. Such notice will be provided to such person(s) or organization(s) no less than the number of days in advance of the effective date of cancellation that we are required to provide to the Named Insured for such cancellation or nonrenewal. At our election, the notice shall either be mailed by first class mail, postage prepaid to the address indicated in the SCHEDULE for such person or organization or sent by electronic mail to the email address set forth in the SCHEDULE for such person or organization. Such notice shall identify the policy, including the identity of the Named Insured, being cancelled or nonrenewed and provide the effective date of cancellation or nonrenewal. If sent by first class mail, proof of mailing constitutes proof of notice. If sent by email, proof of sending constitutes proof of notice.

Our obligation to send notice to the person or organization listed in the SCHEDULE above shall terminate the earlier of: i) the end of the current Policy Period; or ii) when you no longer have a legal or contractual obligation to such person or organization to maintain insurance coverage under a policy which requires that such person or organization be notified in the event of cancellation or nonrenewal.

MPA00000025695Z



Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## POLICY CHANGES

**Change Effective:** 06/15/2019

**Change #:** 1

### Description

Additional insured FCL Builders Maryland, LLC and any other persons or organizations whom you agreed to include as an additional insured on your policy in a written contract, written agreement or written permit between you and FCL Builders Maryland, LLC is hereby amended per (CG2010) and (CG2037). See Manuscript Endorsement.

Original Annual Premium	\$ 236,461.00	New Annual Premium	\$ 236,461.00	Total Additional/ Return Premium	\$
					NO CHANGE

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**GU-7001 (Ed. 4-16)**

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Issued: 08/27/2019

HAR 00710



MPA00000025695Z



Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## FORM SCHEDULE

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
		POLICY FORMS
PJ0004	0416	Policy Jacket- HPIC
GU7001	0416	Policy Change Document
* GU7005	0416	Location Schedule
* GU7008	0416	Named Insured Schedule
* GU7015	0416	Fees and Surcharge Schedule
IL0003	0702	Calculation of Premium
IL0003	0908	Calculation of Premium
IL0017	1198	Common Policy Conditions
IL0021	0908	Nuclear Energy Liability Exclusion Endorsement (Broad)
IL0023	0702	Nuclear Energy Liability Exclusion Endorsement
IL0111	1103	New Jersey Changes
IL0141	0908	New Jersey Changes - Civil Union
IL0166	0702	Pennsylvania Changes - Actual Cash Value
IL0172	0702	Pennsylvania Changes
IL0183	0702	New York Changes - Fraud
IL0207	1217	Maryland Changes
IL0208	0907	New Jersey Changes - Cancellation and Nonrenewal
IL0246	0702	Pennsylvania Changes-Cancellation and NonRenewal
IL0268	0114	New York Changes - Cancellation and Nonrenewal
IL0910	0702	Pennsylvania Notice
IL0935	0702	Exclusion of Certain Computer-Related Losses
IL0952	0115	Cap On Losses From Cert. Acts of Terrorism
* IL0985	0115	Disclosure Pursuant to Terrorism Risk Insurance Act
IL7166	0806	Maryland Changes - Renewal Limits
* IL7185	0910	Notice of Canc and Nonren for Designated Person or Org
		PROPERTY FORMS
CP0010	0607	Building and Personal Property Form
CP0030	0607	Business Income (And Extra Expense) Coverage Form
CP0090	0788	Commercial Property Conditions
CP0140	0706	Exclusion of Loss Due to Virus or Bacteria
CP1030	0607	Causes of Loss - Special Form
CP1032	0808	Water Exclusion Endorsement
CP7130	1115	Commercial Property Plus II Endorsement
CP7136	0917	Equipment Breakdown Coverage
		LIABILITY FORMS

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**GU-7004 (Ed. 4-16)**

Page 1 of 2  
Issued: 08/27/2019

HAR 00712

MPA00000025695Z



Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## FORM SCHEDULE

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
CG0001	1207	Commercial General Liability Coverage Form
CG0068	0509	Recording/Distr Matl or Info in Violation of Law Exc
CG0099	1185	Changes in General Liability Forms for Commercial Pkg
CG0104	1204	New York Changes - Premium Audit
CG0163	0711	New York Changes-Commercial General Liability Cov Form
CG0201	1217	Maryland Changes
* CG0435	1207	Employee Benefits Liability Coverage
CG2147	1207	Employment-Related Practices Exclusion
* CG2151	0989	Amend of Liquor Liab Exclusion-Except for Sched Activ
CG2167	1204	Fungi or Bacteria Exclusion
CG2170	0115	Cap on Losses from Certified Acts of Terrorism
CG2279	0798	Exclusion-Contractors-Professional Liability
* CG2417	1001	Contractual Liability - Railroads
* CG2426	0704	Amendment of Insured Contract Definition
CG2620	1093	New Jersey Changes - Loss Information
CG2621	1091	NY Changes-Transfer of Duties When Limit is Used Up
CG2653	0699	NJ Chgs-Cov and Excl Liab for Haz of Lead w/Mult Prem
CG2673	1204	Maryland Changes - Premium Audit Condition
CG7105	1210	Non-Pyramiding of Limits
CG7108	1210	Exclusion - Asbestos, Silica, or Talc
CG7149	0901	Lead Liability Exclusion
CG7195	1210	Exclusion - Computer-Related/Other Electronic Problems
CG7209	0901	Lead Liability Exclusion - New York
CG7241	1009	Exclusion - Snow and Ice Removal
CG7254	1210	Addl Ins-Owners, Lessees or Contractors-Auto Status
CG7263	1210	AI-Owner,Lessee,Contr-Compl Ops-Auto Req Constr Agree
CG7304	1210	Exclusion - Silica - New York
CG7305	1210	Exclusion - Asbestos - New York
CG7350	0710	Exclusion -Contractors Professional Liability
CG7356	1210	General Liability Enhancement Plus Endt-Contractors
CG7430	0117	Def of Occurrence Amendatory Endt Constr Defects
* CG8000	1015	Data Compromise Coverage
CG8010	1015	Identity Recovery Coverage
* CG8013	1015	Cyber One Coverage
IL7115	0600	Excl-Exterior Insulation and Finish Systems (EIFS)
* MANU1	0704	Manuscript Endorsement



MPA00000025695Z



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Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## POLICYHOLDER NOTICE SCHEDULE

The following material contains important information about your policy. Please read it carefully.

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
		POLICY FORMS
ST7115	0416	Premium Audit Notice
ST7419	0417	New Jersey Earthquake Insurance Availability Notice
ST7520	0704	Amendment Of Insured Contract Definition
ST7555	0416	Important Notice to Policyholders
ST7629	0913	Notice of Underwriting Period-Notice to Policyholders
ST7653	0416	Contractor and Property Owners Best Practices
ST7687	0115	Notice to Policyholders
ST7851	1114	Notice to Policyholders - Be Prepared For Data Breach



MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2010 (Ed. 7-04) Addl Insd-Owners, Lessees, or Contr-Sched Person or Org

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Alston Construction Company Inc

Federal Business Centers Inc and its officers, directors, employees, agents, representative and shareholders

Location(s) Of Covered Operations:

225 Raritan Center Pkwy

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or

organization(s) shown in the Schedule, but only with respect to liability for "bodily injury",

"property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional

exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work,

All other terms and conditions of this Policy remain unchanged.

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

on the project (other than service, maintenance or repairs) to be performed by or on behalf

of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its

intended use by any person or organization other than another contractor or subcontractor

engaged in performing operations for a principal as a part of the same project.

CG-2010

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2010 (Ed. 7-04) Addl Insd-Owners, Lessees, or Contr-Sched Person or Org

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Premier Design + Build Group LLC and any other persons or organizations whom you agreed to include as additional insured on your policy in a written contract, written agreement or written permit between you and Premier Design + Build Group LLC

Location(s) Of Covered Operations:

All Premier Design + Build Group LLC locations as per written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or

organization(s) shown in the Schedule, but only with respect to liability for "bodily injury",

"property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
  2. The acts or omissions of those acting on your behalf;
- in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional

exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in

All other terms and conditions of this Policy remain unchanged.

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

connection with such work,  
on the project (other than service, maintenance or repairs) to be  
performed by or on behalf  
of the additional insured(s) at the location of the covered  
operations has been completed; or  
2. That portion of "your work" out of which the injury or damage arises  
has been put to its  
intended use by any person or organization other than another  
contractor or subcontractor  
engaged in performing operations for a principal as a part of the  
same project.

CG-2010

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2037 (Ed. 7-04) Addl Insured - Owners, Lessees or Contractors -  
Completed Operations

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Premier Design + Build Group LLC and any other persons or organizations whom  
you agreed to include as an additional insured on your policy in a written  
contract, written agreement or written permit between you and Premier Design  
+ Build Group LLC

Location And Description Of Completed Operations:

All Premier Design + Build Group LLC locations as per written contract  
Concrete construction

Information required to complete this Schedule, if not shown above, will be  
shown in the Declarations.

Section II - Who Is An Insured is amended to include as an additional  
insured the person(s)  
or organization(s) shown in the Schedule, but only with respect to liability  
for "bodily injury"  
or "property damage" caused, in whole or in part, by "your work" at the  
location designated  
and described in the schedule of this endorsement performed for that  
additional insured and  
included in the "products-completed operations hazard".

CG-2037

All other terms and conditions of this Policy remain unchanged.



MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2037 (Ed. 7-04) Addl Insured - Owners, Lessees or Contractors -  
Completed Operations

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Alston Construction Company Inc

Federal Business Centers Inc and its officers, directors, employees, agents,  
representative and shareholders

Location And Description Of Completed Operations:

225 Raritan Center Pkwy

Concrete Construction

Information required to complete this Schedule, if not shown above, will be  
shown in the Declarations.

Section II - Who Is An Insured is amended to include as an additional  
insured the person(s)  
or organization(s) shown in the Schedule, but only with respect to liability  
for "bodily injury"  
or "property damage" caused, in whole or in part, by "your work" at the  
location designated  
and described in the schedule of this endorsement performed for that  
additional insured and  
included in the "products-completed operations hazard".

CG-2037

All other terms and conditions of this Policy remain unchanged.



MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2010 (Ed. 7-04) Addl Insd-Owners, Lessees, or Contr-Sched Person or Org

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

FCL Builders Maryland, LLC and any other persons or organizations whom you agreed to include as an additional insured on your policy in a written contract, written agreement or written permit between you and FCL Builders Maryland, LLC.

Location(s) Of Covered Operations:

All FCL Builders Maryland, LLC locations as per written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or

organization(s) shown in the Schedule, but only with respect to liability for "bodily injury",

"property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
  2. The acts or omissions of those acting on your behalf;
- in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional

exclusions apply:

This insurance does not apply to "bodily injury" or "property damage"

All other terms and conditions of this Policy remain unchanged.

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work,  
on the project (other than service, maintenance or repairs) to be performed by or on behalf  
of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its  
intended use by any person or organization other than another contractor or subcontractor  
engaged in performing operations for a principal as a part of the same project.

CG-2010

All other terms and conditions of this Policy remain unchanged.

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2037 (Ed. 7-04) Addl Insured - Owners, Lessees or Contractors -  
Completed Operations

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

FCL Builders Maryland, LLC and any other persons or organizations whom you agreed to include as an additional insured on your policy in a written contract, written agreement or written permit between you and FCL Builders Maryland, LLC.

Location And Description Of Completed Operations:

All FCL Builders Maryland, LLC locations as per written contract and  
Concrete construction

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II - Who Is An Insured is amended to include as an additional insured the person(s)  
or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury"  
or "property damage" caused, in whole or in part, by "your work" at the location designated  
and described in the schedule of this endorsement performed for that additional insured and  
included in the "products-completed operations hazard".

CG-2037

All other terms and conditions of this Policy remain unchanged.

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2010 (Ed. 7-04) Addl Insd-Owners, Lessees, or Contr-Sched Person or Org

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

FCL Builders LLC

FCL Builders Maryland LLC

Tradepoint Atlantic LLC its affiliates, directors, officers, employees and agents

Location(s) Of Covered Operations:

Tradepoint Atlantic Project Liger

Tradepoint Ave, Baltimore, MD 21219

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or

organization(s) shown in the Schedule, but only with respect to liability for "bodily injury",

"property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or

2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional

exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

All other terms and conditions of this Policy remain unchanged.

MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

1. All work, including materials, parts or equipment furnished in connection with such work,  
on the project (other than service, maintenance or repairs) to be performed by or on behalf  
of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its  
intended use by any person or organization other than another contractor or subcontractor  
engaged in performing operations for a principal as a part of the same project.

CG-2010



MPA00000025695Z

MANU-1 (07/04)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

CG-2037 (Ed. 7-04) Addl Insured - Owners, Lessees or Contractors -  
Completed Operations

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

FCL Builders LLC

FCL Builders Maryland LLC

Tradepoint Atlantic LLC its affiliates, directors, officers, employees and  
agents

Location And Description Of Completed Operations:

Tradepoint Atlantic Project Liger

Tradepoint Ave, Baltimore, 21219

Construction Work.

Information required to complete this Schedule, if not shown above, will be  
shown in the Declarations.

Section II - Who Is An Insured is amended to include as an additional  
insured the person(s)  
or organization(s) shown in the Schedule, but only with respect to liability  
for "bodily injury"  
or "property damage" caused, in whole or in part, by "your work" at the  
location designated  
and described in the schedule of this endorsement performed for that  
additional insured and  
included in the "products-completed operations hazard".

CG-2037

All other terms and conditions of this Policy remain unchanged.



MPA00000025695Z



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Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## POLICY CHANGES

**Change Effective:** 11/05/2019

**Change #:** 2

### Description

The named insured GMAC Construction Inc is amended to GMAC Contracting, Inc.

Original Annual Premium	\$ 236,461.00	New Annual Premium	\$ 236,461.00	Total Additional/ Return Premium	\$
					NO CHANGE

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**GU-7001 (Ed. 4-16)**

Page 1 of 1  
Issued: 11/06/2019

HAR 00727



MPA00000025695Z



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Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

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**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
AMENDMENT

## **NAMED INSURED SCHEDULE**

GMAC Contracting, Inc

MPA00000025695Z


**Nationwide®**  
 is on your side

 Harleysville Preferred Insurance Company  
 355 Maple Avenue  
 Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
 AMENDMENT - OUT OF SEQUENCE

## POLICY CHANGES

**Change Effective:** 06/15/2019

**Change #:** 3

### Description

In order to process an out-of sequence amendment with the same or earlier effective date, prior transaction(s) have been backed-off. Please refer to the subsequent pages of this form (GU-7001) for complete details.

Original Annual Premium	\$ 236,461.00	New Annual Premium	\$ 236,461.00	Total Additional/ Return Premium	\$
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**GU-7001 (Ed. 4-16)**
**NO CHANGE**  
 Page 1 of 2  
 Issued: 09/18/2020

HAR 00730

MPA00000025695Z



Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
AMENDMENT - OUT OF SEQUENCE

Transaction	Chg#	Transaction Effective Date	Processing Date	Premium Charged	Policy Premium
Renewal		06/15/2019	06/19/2019	0.00	236,461.00
Amendment	1	06/15/2019	08/27/2019	0.00	236,461.00
Amendment	2	11/05/2019	11/06/2019	0.00	236,461.00
- Amendment - Out Of Sequence	3	06/15/2019	09/18/2020	0.00	236,461.00
Back Off - Amendment		11/05/2019		0.00	236,461.00
Out Of Sequence - Amendment		06/15/2019		0.00	236,461.00
Reapply - Amendment		11/05/2019		0.00	236,461.00

MPA00000025695Z



Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## FORM SCHEDULE

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Form	Edition	Description
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GU7001	0416	Policy Change Document - OOS Version Detail
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* GU7008	0416	Named Insured Schedule
* GU7015	0416	Fees and Surcharge Schedule
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IL0003	0908	Calculation of Premium
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IL0952	0115	Cap On Losses From Cert. Acts of Terrorism
* IL0985	0115	Disclosure Pursuant to Terrorism Risk Insurance Act
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* IL7185	0910	Notice of Canc and Nonren for Designated Person or Org
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CP0140	0706	Exclusion of Loss Due to Virus or Bacteria
CP1030	0607	Causes of Loss - Special Form
CP1032	0808	Water Exclusion Endorsement
CP7130	1115	Commercial Property Plus II Endorsement
CP7136	0917	Equipment Breakdown Coverage

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**GU-7004 (Ed. 4-16)**

Page 1 of 3  
Issued: 09/18/2020

HAR 00732



MPA00000025695Z



Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## FORM SCHEDULE

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
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CG0068	0509	Recording/Distr Matl or Info in Violation of Law Exc
CG0099	1185	Changes in General Liability Forms for Commercial Pkg
CG0104	1204	New York Changes - Premium Audit
CG0163	0711	New York Changes-Commercial General Liability Cov Form
CG0201	1217	Maryland Changes
* CG0435	1207	Employee Benefits Liability Coverage
CG2147	1207	Employment-Related Practices Exclusion
* CG2151	0989	Amend of Liquor Liab Exclusion-Except for Sched Activ
CG2167	1204	Fungi or Bacteria Exclusion
CG2170	0115	Cap on Losses from Certified Acts of Terrorism
CG2279	0798	Exclusion-Contractors-Professional Liability
* CG2417	1001	Contractual Liability - Railroads
* CG2426	0704	Amendment of Insured Contract Definition
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CG2673	1204	Maryland Changes - Premium Audit Condition
CG7105	1210	Non-Pyramiding of Limits
CG7108	1210	Exclusion - Asbestos, Silica, or Talc
CG7149	0901	Lead Liability Exclusion
CG7195	1210	Exclusion - Computer-Related/Other Electronic Problems
CG7209	0901	Lead Liability Exclusion - New York
CG7241	1009	Exclusion - Snow and Ice Removal
CG7254	1210	Addl Ins-Owners, Lessees or Contractors-Auto Status
CG7263	1210	AI-Ownr, Lesscc, Contr-Compl Ops-Auto Req Constr Agrcc
CG7304	1210	Exclusion - Silica - New York
CG7305	1210	Exclusion - Asbestos - New York
CG7350	0710	Exclusion -Contractors Professional Liability
CG7356	1210	General Liability Enhancement Plus Endt-Contractors
CG7430	0117	Def of Occurrence Amendatory Endt Constr Defects
* CG8000	1015	Data Compromise Coverage
CG8010	1015	Identity Recovery Coverage
* CG8013	1015	Cyber One Coverage
IL7115	0600	Excl-Exterior Insulation and Finish Systems (EIFS)

MPA00000025695Z



**Nationwide®**  
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Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## FORM SCHEDULE

\* INDICATES A NEW OR REPLACEMENT FORM. RETAIN THESE AND LISTED FORMS NOT REPLACED

Form	Edition	Description
* MANU1	0704	Manuscript Endorsement

MPA00000025695Z



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Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTARY SCHEDULE

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./ Ops.	Prod./ Comp. Ops.	Prem./ Ops.	Prod./ Comp. Ops.
PREM NO. 001 CONCRETE CONSTRUCTION	91560	4,965,509 PAYROLL	25.848	5.296	128,348	26,297
PREM NO. 001 CONTR-SUB-REPAIR BLDG-NOC	91585	5,732,118 TOTAL COST	1.465	1.139	8,398	6,529
PREM NO. 001 CONTR-EXECUTIVE SUPERVISOR Prod/Comp Op subj to Gen Agg Limit	91580	278,205 PAYROLL	34.178		9,508	INCL
PREM NO. 001 CONTR PERMANENT YARD Prod/Comp Op subj to Gen Agg Limit	91590	329,969 PAYROLL	13.268		4,378	INCL
PREM NO. 003 WAREHOUSE-PRIVATE-NFP Prod/Comp Op subj to Gen Agg Limit	68707	500 AREA	68.033		34	INCL
PREM NO. 004 CONCRETE CONSTRUCTION	91560	800,000 PAYROLL	44.716	3.500	35,773	2,800
PREM NO. 004 CONTR-EXECUTIVE SUPERVISOR Prod/Comp Op subj to Gen Agg Limit	91580	54,611 PAYROLL	59.038		3,224	INCL

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**CG-7275 (Ed. 4-16)**

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Issued: 09/18/2020

HAR 00735

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**AMENDMENT**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTARY SCHEDULE

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./ Ops.	Prod./ Comp. Ops.	Prem./ Ops.	Prod./ Comp. Ops.
PREM NO. 005 CONCRETE CONSTRUCTION	91560	IF ANY PAYROLL	8.078	4.292		
PREM NO. 005 CONTR-EXECUTIVE SUPERVISOR Prod/Comp Op subj to Gen Agg Limit	91580	IF ANY PAYROLL	10.652			INCL
PREM NO. 006 CONCRETE CONSTRUCTION	91560	200,000 PAYROLL	21.331	4.820	4,266	964
CYBERONE		IF ANY			385	
DATA COMPROMISE/IDENTITY RECOVERY		IF ANY			124	
CG7254-ADDL INS-OWN/LESS/CON/AUTO CONSTR		IF ANY			250	
CG7263-OWN/LESS/CON/COMP OPS/AUTO CONSTR	91560	6,628,294			600	

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HAR 00736

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**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTARY SCHEDULE

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./ Ops.	Prod./ Comp. Ops.	Prem./ Ops.	Prod./ Comp. Ops.
GL ENHANCEMENT PLUS ENDT CONTRACTORS		IF ANY			1,500	
MANUSCRIPT ENDORSEMENT		IF ANY				
EMPLOYEE BENEFITS LIABILITY		270			350	
MANUAL PREMIUM - FULLY EARNED	49950	1			50	
MANUAL PREMIUM - FULLY EARNED	49950	1			50	
MANUSCRIPT ENDORSEMENT		IF ANY				
MANUSCRIPT ENDORSEMENT		IF ANY				

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HAR 00737



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**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTARY SCHEDULE

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./ Ops.	Prod./ Comp. Ops.	Prem./ Ops.	Prod./ Comp. Ops.
MANUAL PREMIUM - FULLY EARNED	49950	1			50	
MANUSCRIPT ENDORSEMENT		IF ANY				
MANUSCRIPT ENDORSEMENT		IF ANY				
MANUAL PREMIUM - FULLY EARNED	49950	1			50	
MANUSCRIPT ENDORSEMENT		IF ANY				
MANUSCRIPT ENDORSEMENT		IF ANY				
MANUAL PREMIUM - FULLY EARNED	49950	1			50	

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HAR 00738



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355 Maple Avenue  
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**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2019 to 06/15/2020  
**AMENDMENT**

## COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTARY SCHEDULE

Classifications	Code No.	Premium Basis	Rates		Advance Premiums	
			Prem./ Ops.	Prod./ Comp. Ops.	Prem./ Ops.	Prod./ Comp. Ops.
MANUSCRIPT ENDORSEMENT		IF ANY				
MANUAL PREMIUM - FULLY EARNED	49950	1			50	
MANUAL PREMIUM - FULLY EARNED	98601	1			300	
PREM NO. 001 MANUAL PREMIUM - FULLY EARNED	49950	1			50	
PREM NO. 001 MANUAL PREMIUM - FULLY EARNED	49950	1			50	

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**CG-7275 (Ed. 4-16)**

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HAR 00739

\*\*\*\*\* IMPORTANT INSURANCE INFORMATION \*\*\*\*\*

Please read this Notice carefully. No coverage is provided by this notice nor can it be construed to replace any provision of your policy. You should read your policy and review your declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this notice, the provisions of the policy should prevail.

## NOTICE TO POLICYHOLDERS CANNABIS EXCLUSIONS

Thank you for choosing us to help you protect what's important to you. We value your business and want to update you on some recent changes to your policy.

You are receiving this important notice because a Cannabis Exclusion or Cannabis Exclusion with Hemp Exception endorsement has been added to your policy in order to expressly reaffirm Nationwide's position that activities, losses, or claims involving or resulting from the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of or damage to cannabis, to the extent cannabis is designed, cultivated, manufactured, distributed, sold, served or furnished for bodily ingestion, inhalation, absorption or consumption, are not, nor have they ever been, covered by your policy. Cannabis is added to **Property Not Covered**.

The Cannabis Exclusion with Hemp Exception excludes cannabis but provides an exception for goods or products containing or derived from hemp, including but not limited to seeds, food, clothing, lotions, oils, extracts, building materials, or paper but only if such goods or products are not prohibited under any applicable state or local statute, regulation or ordinance in the state where such good or products are located.

The Cannabis Exclusion or Cannabis Exclusion with Hemp Exception may reduce or clarify coverage to the extent set forth above.

We appreciate your business and look forward to continuing to serve you. If you have questions about the changes, or would like to learn about additional coverage options, please contact your agent. Contact information can be found on your policy declarations page or cover letter.



## PREMIUM AUDIT NOTICE

### PLEASE READ THIS NOTICE CAREFULLY!

The following information is intended to explain the premium base on policies written "Subject to Audit."

An accurate Premium Audit is a benefit to you and your business. We recommend the person(s) in charge of keeping your financial records (e.g., Payroll; Gross Sales; Total Cost) be aware of insurance auditor needs. Records that are accurate and properly maintained allow us to complete the audit and to apply, when applicable, certain premium saving rules.

#### WHO WILL MAKE THE AUDIT?

A Premium Auditor will contact you for an appointment if your policy requires a physical audit. If the necessary information can be obtained without a physical audit, we will send you the necessary forms for you to complete.

#### WHAT RECORDS WILL BE NEEDED?

The Premium Auditor will examine and audit all of your records that relate to your policy. The required records will vary depending upon the type of coverage you have. In most cases, the auditor will be able to obtain the necessary audit data from two or more of the following records:

- Payroll Journals with monthly/quarterly totals
- Quarterly Tax Reports
- General Ledgers
- Individual Earning Cards with monthly/quarterly totals
- Certificates of Insurance for sub-contractors
- Vehicle descriptions (include purchase date and date sold)

In the course of the audit, the Auditor may ask some questions about your records and personally observe the various aspects of your business operations. This will assist the Auditor in properly classifying your operations and employees. If a new operation is revealed or an existing operation was unknown to us, additional classifications and exposure bases will be added to your policy and audit. This will affect the premium charged for your insurance coverage.

#### HOW SHOULD YOUR RECORDS BE KEPT?

**Payroll:** Many of the premiums for your insurance are based on payroll which is defined as total remuneration. Remuneration includes:

Wages	Vacation Pay
Commissions	Sick Pay
Bonuses	Payment for Piece Work
Overtime Pay	Miscellaneous other (housing, company car, etc.)
Holiday Pay	

**Overtime:** The amount paid in excess of straight time can be deducted if the excess can be verified by your records. Your records must show overtime separately by employee and totaled monthly and quarterly. **THIS IS NOT APPLICABLE IN PA (WC) or DE (WC).**

**Division of Payroll:** Division of an individual employee's payroll to more than one classification is not allowed. Exception: For construction or erection operations, the payroll of an employee may be allocated to each type of work performed if proper records are kept. Payroll **cannot** be divided between construction and office or sales classifications.

**Gross Sales:** Another premium base for insurance is gross sales. Sales information must be kept separately for each location with monthly and quarterly totals by the type of product sold.

**\*\*\*IMPORTANT\*\*\*****USE OF SUBCONTRACTORS AND  
INDEPENDENT CONTRACTORS IN YOUR BUSINESS****Workers' Compensation**

Most state Workers Compensation laws will hold a general contractor, and its insurer, liable to pay compensation to an injured employee of an uninsured subcontractor. You and your insurer may also be held responsible, under workers compensation laws, for injuries sustained by an individual performing services for you who, while not on your payroll, is deemed to be your 'employee'. Over the last few years, many states have enacted legislation to permit a sole proprietor, partners of a partnership, or members of a limited liability company, who act as 'independent contractors', to obtain workers' compensation insurance for themselves.

Our workers compensation policy permits us to include in the premium basis any remuneration paid or payable by you during the policy period for the services of all persons engaged in work that could make us liable under the policy. We may charge you premium for those contractors who provide services to you and whose operations are not independent of your operations. If a contractor does not have their own employees and their duties closely resemble those of an employee of yours, that person may be considered an employee for audit purposes.

However, we will **not** include the remuneration of any such person if you give us proof that the employer of such person has lawfully secured their workers compensation obligations, or that such person, if he or she is a sole proprietor, partner of a partnership, or member of a limited liability company, has either obtained workers compensation insurance themselves or has executed and filed a written election, in conformance with state law, not to be subject to the Workers Compensation laws. Such proof will normally consist of a certificate of insurance evidencing workers compensation coverage in effect during the period of time your policy is in effect or a copy of the written election/waiver. Therefore, to protect yourself, be sure to secure a Certificate of Insurance from each contractor/subcontractor with whom you deal which evidences their workers compensation coverage or a copy of the written election not to be subject to the Workers Compensation laws. These Certificates and copies of the written election must be available to the auditor at time of audit.

Some states prohibit us from including the remuneration you pay to a bona fide independent contractor. Subject to specific state laws and regulations, the basis for classification of an independent contractor includes whether the individual:

- Has a written contract to perform agreed-upon services with you,
- Is free from your control or direction over the performance of these services, and
- Is customarily engaged in an independently established trade, occupation, profession, or business. For this determination, the individual:
  - o Possesses the essential tools,
  - o Must realize a profit or loss for the project,
  - o Has a business location that is distinct from your business location, and
  - o Makes these same services available to the general public.

**General Liability**

You may also be responsible for the legal liability of your contractors/subcontractors. To protect yourself, be sure to secure a Certificate of Insurance from each contractor/subcontractor with whom you deal which evidences their general liability coverage. These Certificates must be available to the auditor at time of audit. If no evidence of insurance is available, the subcontractor's payroll must be added to your premium base.

Certificates of Insurance also need to reflect adequate insurance. Adequate insurance means the contractor/subcontractor carries liability insurance with coverage comparable to yours (e.g., premises-operations and products-completed operations) and limits of liability which are no less than \$1,000,000 each occurrence/\$2,000,000 general aggregate/\$2,000,000 products-completed operations aggregate for the period of time work was performed for you. Any limit less than the above will be considered inadequate and a payroll charge will be included on your audit.

**We recommend you bring any questions concerning your insurance to the attention of your Agent.**

## NEW JERSEY EARTHQUAKE INSURANCE AVAILABILITY NOTICE

All insureds and applicants are cautioned that commercial fire and extended coverage insurance policies do not provide coverage for earthquake damage.

The definition of an *earthquake*:

- >> Is a shaking or trembling of the earth that is geologic or tectonic in nature;
- >> Includes shock waves or tremors before, during or after a volcanic eruption; and
- >> Can also include after-shocks that occur within a seventy-two hour period following an *earthquake*.

A typical commercial fire and extended coverage insurance policy:

- >> **Does not** cover the cost to replace or repair your damaged dwelling, premises or structures, such as garages, resulting from an *earthquake*;
- >> **Does not** cover the cost to replace or repair the contents of your business if the damages result from an *earthquake*; and
- >> **Does not** pay for any additional business expenses if your property is badly damaged or destroyed by an *earthquake*.

***Earthquake* insurance is available through an endorsement to your policy for an additional premium. The decision to purchase earthquake insurance is one that should be carefully considered based on individual circumstances.**

Historically, an earthquake in New Jersey is a rare event, although the possibility exists that it could happen. Over the five-year period from 2010 to 2015, for every \$1 of earthquake insurance premium, 1/10 of one cent has been paid out for losses.

**Please contact your agent if you have any questions or want additional information on how you can obtain *earthquake* insurance.**

**This notice is a general description of coverage and does not change, modify or invalidate any of the provisions, terms or conditions of your policy or endorsements.**

New Jersey Bulletin No. 16-09





**ST-7520  
(Ed. 7-04)**

## **AMENDMENT OF INSURED CONTRACT DEFINITION**

### **IMPORTANT NOTICE TO POLICYHOLDERS**

This notice contains a brief synopsis of new endorsement CG 24 26 – Amendment of Insured Contract Definition.

When this endorsement is attached to your policy, you will no longer be provided coverage for tort liability that you assume under an insured contract unless you or someone acting on your behalf contributed in whole or in part to the bodily injury or property damage.

This may be a reduction in coverage in states where you are permitted to hold harmless a party for that party's sole negligence.

PLEASE READ YOUR POLICY AND ITS ENDORSEMENTS CAREFULLY. IF THERE IS ANY CONFLICT BETWEEN THIS NOTICE AND THE POLICY AND ITS ENDORSEMENTS, THE PROVISIONS OF THE POLICY AND ITS ENDORSEMENTS SHALL PREVAIL.



## **IMPORTANT NOTICE TO POLICYHOLDERS**

### **Do you have enough insurance on your building?**

If your commercial building were damaged or worse, destroyed, would your insurance limit be sufficient to fully repair or rebuild the structure?

When you consider the ever rising costs of labor, construction materials and supplies, the impact of overall inflation, and the value of any improvements you've made to your property, it's quite possible your level of coverage is no longer adequate.

### **It is *your* responsibility to insure to value.**

While Nationwide's insurance products offer comprehensive protection for business owners, if your property is insured at less than 100 percent of its replacement cost (or, where applicable, actual cash value), you assume the risk of not being fully insured if you have a loss.

To make certain your building coverage limits are - *and remain* - adequate, we strongly encourage you to review your coverage with your agent. You also should consider obtaining an appraisal or an estimate from a contractor annually, or as needed.

We appreciate the opportunity to insure your property, and look forward to continuing our partnership with your business and Nationwide agent to protect your interests *fully*.

Note: In the event of a claim, Nationwide reserves all of its rights under the policy to make its own independent determination of replacement cost or actual cash value in applying the co-insurance provisions of the policy.





**ST-7629**  
**(Ed. 9-13)**

## **NOTICE OF UNDERWRITING PERIOD NOTICE TO POLICYHOLDERS**

We are notifying you that the binder or policy you have just agreed to purchase is subject to a 45 day underwriting period beginning on the effective date of your coverage. Your coverage may be cancelled during the underwriting period if your risk does not meet our underwriting standards. If we decide to cancel the binder or policy, we will send you a written Notice of Cancellation advising you of the reason(s) for the cancellation and the date on which your policy will be cancelled.

We may also recalculate your premium, on the discovery of a material risk factor, from the effective date of the policy during the underwriting period. If your premium is recalculated, you have the right to terminate the policy.







**ST-7653**  
**(Ed. 4-16)**

## Contractor and Property Owners Best Practices for Managing Liability and Workers' Compensation Risk Through Contracts and Insurance Requirements

Whether you are a contractor or a property owner who hires others to complete part of a job, there are many steps you can take to manage risk. Hiring the best employees and subcontractors and maintaining a safe work environment are paramount. However, sound contract wording and insurance protection are critical to protecting your business from liability claims.

Set clear expectations by using **written contracts** for each job that contain:

- Written job specifications that clearly define and delineate the work you and your subcontractors will perform.
  - Hold harmless agreements that require your subcontractor to pay on your behalf for any bodily injury, property damage, or other economic loss resulting from the subcontractor's negligence.
  - Indemnity agreements that state your subcontractor will reimburse you in the event of an accident or loss resulting from the subcontractors' negligence, the negligence of their employees, agents, subcontractors, and anyone hired by them for their negligence to the fullest extent permitted by law.
  - Insurance procurement requirements that require **additional insured status for on-going operations and completed operations** on your subcontractors' general liability and umbrella policy on a primary and non-contributory basis. Note: Your contract should be clear that these requirements are to apply to any subcontractors hired by the subcontractor as well.
    - The subcontractor should maintain general liability coverage with limits equal to or greater than your own general liability limits. At a minimum, limits should be \$1,000,000 Each Occurrence, \$2,000,000 General Aggregate, and \$2,000,000 Products-Completed Operations Aggregate to avoid being considered an "inadequately insured subcontractor". In addition, the General Aggregate should apply on a per project or per location basis.

*Note: The Personal and Advertising Injury Limit must be a \$1,000,000 limit. An ISO GL policy automatically provides this limit when a \$1,000,000 occurrence limit is selected. For non-ISO GL policies, be sure a \$1,000,000 P/AI limit is provided.*

  - The subcontractor should maintain umbrella coverage with limits of at least \$1,000,000 and provide additional insured coverage to you on a primary and noncontributory basis in order to provide additional protection in the event of a catastrophic loss.
- Additional limit requirements:
  - Workers Compensation (Employers Liability) limits of BI by Accident \$100,000 BI each accident, BI by Disease \$500,000 policy limit and \$100,000 each employee are required.
  - An automobile limit per Accident limit of \$1,000,000 CSL is required.
- It is also important your subcontractor carry workers compensation coverage for the states related to the contract. If not, the subcontractor's payroll may be added to your payroll as if they were your employee. You may be responsible for their injuries. If your subcontractor is an individual or partnership, then confirm that he has elected to be covered by the workers compensation policy.
- Waiver of subrogation for general liability and umbrella policies which requires the subcontractor to waive their insurer's right to be reimbursed by you should a loss occur that was a result of your negligence.
- Waiver of the subcontractor's workers compensation immunity, to the extent allowed by law.
- A requirement that Subcontractor's Insurance policies be endorsed to guarantee you a right to notice of cancellation.
- Written contracts can be short and simple. Your lawyer can help draft a sample contract. Visit [www.AIA.org](http://www.AIA.org) or [www.ConsensusDOCs.org](http://www.ConsensusDOCs.org) for advisory contracts.

Important risk transfer documentation:

- Require all of your subcontractors to provide certificates of insurance to you prior to the beginning of any work. Certificates of insurance provide evidence the subcontractor is maintaining their own general liability, workers compensation, and umbrella insurance with sufficient limits of coverage as listed above.
- Obtain written confirmation that your subcontractor has named you as an additional insured before the subcontractor is allowed to begin each job that subcontractor performs for you.
- Obtain a signed copy of a contract before work commences.

Note for New York insureds: Be cautious! In an attempt to save premium dollars some subcontractors are purchasing insurance from non-standard insurance carriers. While some of these carriers provide reasonable levels of coverage, others exclude primary liability exposures, even if such liability was assumed by the contractor in the contract with you (such as employee injuries or other injuries governed by NY labor law). This hold harmless obligation coverage gap can result in your subcontractor being virtually uninsured for certain types of losses. This increases your liability exposure and problems with your insurability. Please consult with your agent or broker to make sure that your subcontractors are properly covered by standard insurance contracts.

**REMEMBER TO REPORT ALL CLAIMS TO NATIONWIDE AS SOON AS POSSIBLE!  
CONTACT OUR CLAIMS HOTLINE AT 800-892-8877.**

## **NOTICE TO POLICYHOLDERS NOTICE OF TERRORISM INSURANCE COVERAGE**

This notice is being provided in accordance with the Terrorism Risk Insurance Act (the "Act"). Your policy provides certain coverage for losses resulting from acts of terrorism in accordance with the terms of the Act and as set forth in your policy. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – (i) to be an act of terrorism; (ii) to be a violent act or an act that is dangerous to (I) human life; (II) property; or (III) infrastructure; (iii) to have resulted in damage within the United States, or outside the United States in the case of (I) an air carrier or vessel described in paragraph (5)(B); or (II) the premises of a United States mission; and (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THE POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019; AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

**This Notice does not form a part of your insurance contract. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.**

**Carefully read your policy, including the endorsements attached to your policy.**



## **NOTICE TO POLICYHOLDERS BE PREPARED FOR DATA BREACH**

### **Data Breach Can Take You By Surprise**

If your organization experiences a data breach, would you be prepared? As we all know from the news, even very large companies aren't always ready to respond. Yet, when a data breach occurs, time is of the essence.

Most states now require the responsible business to promptly notify every individual affected by a data breach. Beyond those legal requirements and their costs, how you respond to a data breach can mean the difference between preserving your clients trust or losing it.

When suddenly confronted with a data breach, many companies make mistakes that can significantly increase their cost of responding and put their reputation at risk.

Now you can develop an effective data breach response plan in advance of a crisis that can help you to be prepared and protect your client relationships and business reputation.

### **Immediate Access To Risk Management Tools**

Because your success is important to us, we offer an online data breach portal that equips you with a risk management tool to help you plan and be prepared should a breach happen to your company. There's no cost; it's a complimentary service for our commercial lines insureds.

It's called eRisk Hub® and it's designed to help you to better understand your risks and establish a response plan so you can manage the costs and minimize the effects of a data breach should one occur.

With a response plan and instant access to informative resources, you'll be ready to more efficiently and cost-effectively respond to and recover from a data breach.

### **Key Features of the eRisk Hub® Portal**

- Incident Response Plan Roadmap – includes suggested steps to take following a network or data breach incident.
- Online Training Modules - ready-to-use training for business owners on privacy best practices and Red Flag Rules.
- Risk Management Tools – assists you in managing your cyber risk including a self-assessment and state breach notification laws.
- News Center – cyber risk stories, security and compliance blogs, security news, risk management events and helpful industry links.
- Learning Center – best-practices articles, white papers and webinars from leading technical and legal practitioners.
- eRisk Resources – a directory to quickly find external resources with expertise in pre- and post-breach disciplines.

### **Register Now**

To access the eRisk Hub® portal, you need to register and set up your unique User ID and Password. It's easy; just follow these steps:

1. Enter <https://eriskhub.com/nationwide.php> in your browser.
2. Complete the information in the center of the page, including your name and company. Note that the User ID and Password are case-sensitive.
3. Enter your assigned access code 12116-73.
4. Enter the challenge word on the screen and click "Submit". You will get a "Registration Completed" message on the next screen. You can now login to the portal.

### **Log In And Start**

Once you have set up access, enter your User ID and Password in the Member Login box in the upper right of the site banner and click Submit to access the eRisk Hub® portal.

If you forgot your password, click on the link to have your password reset. Remember; your User ID and Password are case sensitive.





ST-8013  
(Ed. 1-20)

## POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

### NOTICE TO POLICYHOLDERS

This Notice has been prepared in conjunction with the **POTENTIAL** implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program is subject to a termination date of December 31, 2020, unless extended by the federal government. If the federal Program terminates, or is extended with certain changes prior to or during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

#### **YOUR POLICY AT START OF NEW POLICY TERM:**

This policy does not contain a terrorism exclusion. However, the policy contains an endorsement under which coverage for "certified acts of terrorism" (which is more fully defined in the endorsement) is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. Further, the absence of a terrorism exclusion does not create coverage for any injury or damage that would otherwise be excluded under the policy, such as losses excluded by the war liability exclusion.

#### **POTENTIAL CHANGE DURING THE TERM OF YOUR POLICY:**

Endorsement CG 21 87 is attached to your policy. Its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:

- The federal Terrorism Risk Insurance Program (TRIP) has terminated with respect to the type of insurance provided under this policy. (TRIP is scheduled to terminate December 31, 2020, unless extended by the federal government.); or
- A renewal, extension or replacement of TRIP has become effective without a requirement to make coverage available and with revisions that:
  - Increase insurers' statutory percentage deductible under TRIP for terrorism losses; or
  - Decrease the federal government's statutory percentage share in potential terrorism losses; or
  - Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy

Endorsement CG 21 87 treats terrorism as follows:

Coverage for injury or damage arising out of a terrorism incident is excluded only when one or more of the following are attributed to an incident of terrorism:

- The act of terrorism is carried out by means of the release of radioactive materials or use of a nuclear weapon or device which results in nuclear reaction or radiation or radioactive contamination; or
- Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the terrorism was to release such materials.
- The total of all insured damage to all types of property exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained (including business interruption losses) by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; or
- Fifty or more persons sustain death or serious physical injury; or

To determine whether the threshold for property damage (\$25 million) or persons injured (fifty) is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them shall be considered to be one incident of terrorism.

**See the definition of terrorism included within form CG 21 87 for purposes of the terrorism exclusion.**

**IMPORTANT NOTICE TO POLICYHOLDERS****Conditional Exclusion Of Terrorism (Relating To Disposition Of Federal Terrorism Risk Insurance Act)****POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE**

This Notice has been prepared in conjunction with the **POTENTIAL** implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury under which the federal government shares with the insurance industry the risk of loss from future terrorist attacks. That Program is subject to a termination date of December 31, 2020 unless extended by the federal government. If the federal Program terminates or is extended with certain changes during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

**YOUR POLICY AT START OF NEW POLICY TERM:**

Except as described below, this policy does not contain a terrorism exclusion. However, the policy contains an endorsement under which coverage for "certified acts of terrorism" (which is more fully defined in the endorsement) is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. Further, the absence of a terrorism exclusion does not create coverage for any loss that would otherwise be excluded under the policy, such as losses excluded by the nuclear hazard or war exclusions.

**POTENTIAL CHANGE DURING THE TERM OF YOUR POLICY:**

**Endorsement IL 09 95 is attached to your policy. Its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:**

- The federal Terrorism Risk Insurance Program (TRIP) has terminated with respect to the type of insurance provided under this policy. (TRIP is scheduled to terminate December 31, 2020, unless extended by the federal government.); or
- A renewal, extension or replacement of TRIP has become effective without a requirement to make coverage available and with revisions that:
  - Increase insurers' statutory percentage deductible under TRIP for terrorism losses; or
  - Decrease the federal government's statutory percentage share in potential terrorism losses; or
  - Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy

**Endorsement IL 09 95 treats terrorism as follows:**

Coverage for injury or damage arising out of a terrorism incident is excluded only when one or more of the following are attributed to an incident of terrorism:

- The act of terrorism is carried out by means of the release of radioactive materials or use of a nuclear weapon or device which results in nuclear reaction or radiation or radioactive contamination; or
- Radioactive material is released and it appears that one purpose of the terrorism was to release such material; or
- The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

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- The terrorism event involves the release of pathogenic or poisonous biological or chemical materials and it appears that one purpose of the terrorism was to release such materials.
- The total of all insured damage to all types of property exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained (including business interruption losses) by all persons and entities who are affected by an incident of terrorism and who are insured for the damage or who would be insured but for a terrorism exclusion; or

*(To determine whether the threshold for property damage (\$25 million) is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them shall be considered to be one incident of terrorism.)*

The Exception Covering Certain Fire Losses applies only in certain states which are indicated in the Schedule of the endorsement. If the Exception applies, the Schedule indicates the affected types of insurance in affected states. When the Exception applies, the exclusion of terrorism does not apply to direct loss or damage by fire to Covered Property with respect to affected types of insurance in affected states

**See the definition of terrorism included within form IL 09 95 for purposes of the terrorism exclusion.**

# Harleysville Preferred Insurance Company

A Stock Company



355 Maple Avenue  
Harleysville, Pennsylvania 19438

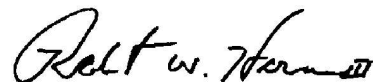
This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide insurance described in this policy in return for the premium and compliance with all applicable policy provisions.

In Witness Whereof, the Company has caused this policy to be executed and attested.



*Mark A. Berven*  
President & Chief Operating Officer



*Robert W. Horner III*  
Vice President & Secretary



**Nationwide**  
is on your sideHarleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2020 to 06/15/2021  
RENEWAL CERTIFICATE**COMMERCIAL LINES COMMON POLICY DECLARATIONS****Named Insured and Mailing Address:**GMAC Construction LLC  
PO Box 176  
Swedesboro, NJ 08085-0176**Agent:**KEH INSURANCE AGENCY INC  
1415 MARLTON PIKE EAST, SUITE 501  
CHERRY HILL, NJ 08034**Agency Code:** 294727  
**Phone Number:** (856)429-6000**Policy Period:** 06/15/2020 to 06/15/2021at 12:01 A.M. Standard Time at your mailing address  
shown above.**Business Description:**

Concrete Contractor

**Form of Business:**

LIMITED LIABILITY COMPANY

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. IF YOU REQUEST CANCELLATION OF THIS POLICY, THE COMPANY WILL RETAIN A MINIMUM PREMIUM OF \$ 250

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Coverage Part	Premium
Commercial Property Coverage Part	\$ 908.00
Commercial General Liability Coverage Part	\$ 258,649.00
Crime and Fidelity Policy Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Commercial Liability Umbrella Policy	

Sub-Total \$ 259,557.00  
Fees and Surcharge – See Schedule GU-7015 (If Applicable) \$ 1,226.00  
Total \$ 260,783.00

**FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY:**  
SEE SCHEDULES **GU-7004** and **GU-7009**Nationwide, the Nationwide N and Eagle, and Nationwide is on your side are service marks of Nationwide Mutual Insurance Company. © 2016 Nationwide  
**GU-7000 (Ed. 4-16)** Includes copyrighted material of Insurance Services Office with its permission.**Insured Copy**Page: 1 of 1  
Issued: 06/09/2020

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**Nationwide**  
is on your sideHarleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2020 to 06/15/2021  
RENEWAL CERTIFICATE**LOCATION SCHEDULE**

<b>Premises No.</b>	<b>Bldg. No.</b>	<b>Address</b>
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001	ALL	54 Cassandra Ln Swedesboro, NJ 08085-5034
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002	ALL	592 Paulsboro Rd Swedesboro, NJ 08085-4400
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003	ALL	368 Swedesboro Ave Mickleton, NJ 08056-1245
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004	ALL	25 Eagle St Albany, NY 12207-1901
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005	ALL	5530 Wisconsin Ave Chevy Chase, MD 20815-4404
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006	ALL	2347 N 7th St Harrisburg, PA 17110-9800
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**Nationwide**  
is on your side

Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

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**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2020 to 06/15/2021  
RENEWAL CERTIFICATE

## **NAMED INSURED SCHEDULE**

GMAC Contracting Inc

MPA00000025695Z



Harleysville Preferred Insurance Company  
355 Maple Avenue  
Harleysville, PA 19438-2297

**Insured:** GMAC Construction LLC  
**Agent:** KEH INSURANCE AGENCY INC

**Policy Number:** MPA00000025695Z  
**Policy Period:** 06/15/2020 to 06/15/2021  
RENEWAL CERTIFICATE

## FEES AND SURCHARGE SCHEDULE

New Jersey Property-Liability Insurance Guaranty Association Surcharge	\$ 1,226.00
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